

WORK

A PRACTICAL GUIDE & WORKBOOK



NATIONAL
MINORITY
AIDS
COUNCIL

strategic
planning
for **AIDS**

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BOOK

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Strategic Planning
for AIDS Service
Organizations:
A Practical Guide
and Workbook

by Jude Kaye
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About NMAC

The disproportionate impact of HIV and AIDS within communities of color is profound. Nearly half of all reported cases of AIDS are people of color. Seventy-eight percent of all reported cases of AIDS in women and children are African American and Latina (CDC 1992e. *HIV/AIDS Surveillance*, October). As new cases of HIV infection and AIDS continue to increase disproportionately in communities of color, the desperate need for resources, services, and prevention education in these communities intensifies.


The National Minority AIDS Council (NMAC) was formed in 1987 to develop leadership within communities of color to address issues of HIV infection. Our members are community-based organizations that deal with AIDS on the front lines—in hospitals and clinics, shelters and schools, storefronts and streets. Thousands of men and women of color rely on such organizations for outreach, care, education, housing and support services. NMAC's goals are to lend visibility, leadership, comprehensive technical assistance and a powerful national voice to these front line AIDS workers.

The National Minority AIDS Council:

- develops and guides national public policy initiatives on HIV/AIDS infection in communities of color.
- creates forums to address new critical issues for our communities, such as tuberculosis prevention, burnout recovery and leadership development.
- provides technical assistance on organizational development to community-based organizations (CBOs), such as trainings on financial management, fundraising, grant writing and evaluation, and volunteer program management. Technical assistance newsletters and manuals give CBOs tools targeted to their immediate organizational needs.
- administers the Apple Macintosh® Partnership Grant Program, providing computer systems, software and training to CBOs and people with AIDS (PWA) coalitions around the country, through generous donations from Apple Computer, Inc.
- informs CBOs about HIV/AIDS public policy issues through regular publications, including newsletters and such publications as *The Impact of HIV on Communities of Color: A Blueprint for the Nineties*.
- conducts regional trainings three times a year in various parts of the country providing staff of minority-focused CBOs and PWA coalitions with intensive training in critical areas of organizational management.
- co-sponsors the National Skills Building Conference, the largest national gathering of front line AIDS workers that covers all areas of organizational development for CBOs as well as intensive forums on timely subjects such as AIDS Housing and Women and AIDS.

About This Workbook

Strategic Planning for AIDS Service Organizations: A Practical Guide and Workbook offers a framework and detailed suggestions for doing strategic planning in an AIDS Service Organization (ASO) and other nonprofit organizations. Those who have experience with strategic planning will find this a useful refresher and “one-stop source book” of fundamental concepts and techniques; those without such experience will find this an invaluable introduction to what strategic planning is—and is *not*—and how to make the best use of the process. The workbook’s comprehensive treatment of the subject includes the following:

- The book begins with an introduction to strategic planning—in effect, a definition of the process, which in turn informs the explanation of its implementation that follows.
- The second, and longest, chapter of the book is organized around the five basic steps in strategic planning: getting ready; articulating mission and vision; situation assessment; developing strategies, goals, and objectives; and writing the strategic plan. Each step is explained in detail — its primary concepts, the activities involved in completing the step, and process notes about how to complete those activities. In addition, the symbol  is used throughout the chapter to indicate where worksheets are available to facilitate specific activities, as well as examples of the worksheets as filled out by a fictional organization; readers can “rehearse” the planning process by looking at how the fictional organization uses concept-specific work-

sheets to think through the many issues and decisions that arise along the way.

[The last chapter of the book includes a blank set of the same worksheets for planners to then use throughout their “real-life” strategic planning process. An organization need not use all of the worksheets to have a successful planning endeavor; they are offered as suggested tools to help participants in the planning process think through the issues and make decisions.]

- After this description of the steps in the strategic planning process, the book’s third chapter offers hands-on resources, such as the planning worksheets mentioned above, as well as a sample strategic planning workplan, information on working with consultants, the use of retreats, sample client survey, and developing an annual operating plan to support your strategic plan.

When it works, strategic planning is both a creative and a participatory process that engenders new insights and helps a group pursue its mission—it is an important tool that, used well, can help AIDS service organizations achieve their goals. But a tool’s effectiveness ultimately depends on how it is wielded (not to say *who* wields it): a hammer is a very good tool for nailing together bookshelves, but just swinging a hammer doesn’t mean the bookshelves will get built, nor does a failure to build bookshelves reflect poorly on the hammer. With this workbook, we hope to help others use their “hammers” well, to create sound strategic plans that ensure the viability and success of their agency’s work.

[C H A P T E R I]

Introduction to **Strategic Planning**

A Definition of Strategic Planning

What is strategic planning? It is a management tool. Period. And like any management tool, it is used for one purpose only: to help an organization do a better job—to focus its energy, to ensure that members of the organization are working toward the same goals, to assess and adjust the organization's direction in response to a changing environment. In short:

Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. (adapted from Bryson, p. 5, 1988).

Word by word, a dissection of this definition gives us the key elements that undergird the meaning and success of a strategic planning process:


- The process is *strategic* because it involves choosing how best to respond to the circumstances of the organization's environment — and nonprofits must respond to dynamic and sometimes even hostile environments. Being strategic, then, means being clear about the organization's objectives, being aware of the organization's resources, and incorporating both into being consciously responsive to a dynamic environment.
- The process is about *planning* because it involves intentionally setting goals (choosing a desired future) and developing an approach to achieving those goals.
- The process is *disciplined* in that it calls for a certain order and pattern to keep it focused and productive: the process raises a sequence of questions that help planners examine experience, test old assumptions, gather and incorporate new information about the present, and anticipate the environment in which the organization will be working in the future.
- Finally, the process is about *fundamental decisions and actions* because, in order to answer the sequence of questions mentioned above, choices must be made: the plan ultimately is no more (and no less) than a set of decisions about what to do, why to do it, and how to do it. Because it is impossible to do everything that needs to be done in this world, strategic planning recognizes that some decisions and actions are more important than others—and that much of the strategy lies in making the tough decisions about what is *most* important.

The strategic planning process can be complex, challenging, and even messy, but it is always informed by the basic ideas outlined above—and one can always return to these basics for insight into one's own strategic planning process.

Strategic Planning and Long-Range Planning

Although many use these terms interchangeably, strategic planning and long-range planning differ in their emphasis on the "assumed" environment. Long-range planning is generally considered to assume that current knowledge about future conditions is sufficiently reliable to ensure the *plan's* reliability over the duration of its implementation. In the late fifties and early sixties, for example, the U.S. economy was relatively stable, and somewhat predictable, and therefore long-range planning was both fashionable and useful.

Strategic planning, however, assumes that an organization must be responsive to a dynamic, changing environment—not the more stable environment described above—and certainly a common assumption has emerged in the nonprofit sector that the environment is changeable, often in unpredictable ways. Strategic planning, then,



stresses the importance of making decisions that will ensure the organization's ability to successfully *respond* to changes in the environment.

Strategic Thinking and Strategic Management

Strategic planning is only useful if it supports strategic thinking and leads to strategic management—the basis for an effective organization. Strategic thinking means asking “are we doing the right thing?” Or perhaps more precisely, it means being able to *make* that assessment because of three factors: strategic thinking requires that a definite purpose be in mind; strategic thinking requires an *understanding of the environment*—particularly of the forces that affect or impede the fulfillment of that purpose; and strategic thinking requires *creativity in developing effective responses* to those forces.

It follows, then, that strategic management is the application of strategic thinking to the job of leading an organization. Dr. Jagdish Sheth, a respected authority on marketing and strategic planning, provides the following framework for understanding strategic management: he says that it means *continually* asking the question “are we doing the right thing?” It entails both attention to the “big picture” and the willingness to adapt to changing circumstances, and consists of the following three elements:

- formulation of the organization's future mission in light of changing external factors such as regulation, competition, technology, and customers;
- development of a competitive strategy to achieve the mission; and
- creation of an organization structure which will deploy resources to successfully carry out its competitive strategy.

Strategic management is adaptive and keeps an organization relevant. In these dynamic times it is more likely to succeed than the traditional approach which is “if it ain't broke, don't fix it.”

What Strategic Planning Is *Not*

Everything said above to describe what strategic planning is can also inform an understanding of what it is *not*. For example, it is about fundamental decisions and actions, but it does not attempt to make *future* decisions. (Steiner, 1979). Strategic planning involves anticipating the future *environment*, but the *decisions* are made in the present. This means that over time, the organization must stay abreast of changes in order to make the best decisions it can at any given point—it must manage, as well as plan, strategically.

Strategic planning has also been described as a tool—but it is not a substitute for the exercise of judgment by leadership. Ultimately, the leaders of any enterprise need to sit back and ask themselves—and answer—“what are the *most* important issues to respond to?” and “how shall we respond?” Just as the hammer doesn't create the bookshelf, so the data analysis and decision-making tools of strategic planning do not “make” the organization work—they can only support the intuition, reasoning skills, and judgment that people bring to the work of their organization.

Finally, strategic planning, though disciplined in many respects, does not typically flow smoothly from one step to the next. It is a creative process, and the fresh insight arrived at today might very well alter the decision made yesterday. Inevitably the process moves forward and back several times before arriving at the final set of decisions. So, no one should be surprised if the process feels less like a comfortable trip on a commuter train than like a ride on a roller coaster. But remember, even roller coaster cars arrive at their destination, as long as they stay on track!

Reasons for doing Strategic Planning

Why should an organization embark on a strategic planning effort? After all, planning consumes resources, a precious commodity for any nonprofit, and defining the direction and activities of an organization is a daunting endeavor. Despite the magnitude of the task, however, there are many compelling reasons for taking on the challenge. To begin with, the process of strategic planning can lead to:

- creating a forum for understanding why the organization exists and the values that should influence decisions;
- defining a shared vision of the organization's future that can guide the current allocation of scarce resources—which is not to *predict* the future, but to define the organization's *preferred* future and establish a future-oriented perspective that will guide *current* decisions;
- fostering successful communication and building teamwork among the Board of Directors, staff, and external constituencies; and
- laying the groundwork for meaningful change by stimulating forward thinking and focusing attention on what's really important to the organization's long-term success.

Participation in the process empowers a staff and board to be more informed and more effective leaders, managers, and decision makers, and they end up with a planning document that they can use to effectively manage the organization. Between the planning process and the realization of a final written plan, a number of tangible benefits can emerge:

- an explicit understanding of the organization's purpose, mission, and values among staff, board, and external constituents, with that understanding supporting an increased level of commitment to the organization and its goals;
- a framework that guides and supports the governance of the organization—a framework that orients board and staff toward more strategic thinking and strategic management;
- information that can be used to “market” the organization to the public and to potential funders;
- a means of monitoring achievements and measuring results;
- a blueprint for action;
- and, most importantly, improved services for clients.

The Strategic Planning Process

Many books and articles describe how to do strategic planning, and many go to much greater lengths than this workbook to do so. Our purpose here is to present the *fundamental* steps that must be taken in the strategic planning process. Below is a brief description of the five steps in the process, illustrated by the “Strategic Planning Model” that follows the description (Chapter II goes into greater detail about each step). These steps are a recommendation, but not the only recipe for cooking up a strategic plan—other sources might recommend different steps or variations on these steps—but they do describe the basic work that needs to be done and the



usual products of the process. Thoughtful and creative planners will add spice to the mix, or elegance to the presentation, to develop a strategic plan that best suits their organization.

Step 1: Getting Ready

To *get ready* for strategic planning, an organization must first assess *if* it's ready. While a number of issues must be addressed in assessing readiness, that determination essentially comes down to whether an organization's leaders are truly committed to the effort, and whether they are able to devote the necessary attention to the "big picture" at the time. For example, if a funding crisis looms, or the founder is about to depart, or the environment is so turbulent that everyone is putting out fires, then it doesn't make sense to take time out for this effort *at that time*.

An organization that determines it is indeed ready to begin strategic planning must then do five things to pave the way for an organized process:

- identify specific issues or choices that the planning process should address;
- clarify roles (who does what in the process);
- create a Planning Committee;
- develop an organizational profile; and
- identify the information that must be collected to help make sound decisions.

The product developed at the end of Step 1 is a Workplan.

Step 2: Articulating Mission and Vision

A mission statement is like an introductory paragraph: it lets the reader know where the writer is going, and it also shows that the *writer* knows where he or she is going. Likewise, a mission statement must communicate the essence of an organization to the "reader"—and an organization's ability to articulate this indicates its focus and purposefulness. A mission statement typically describes an organization in terms of its:

- purpose—why the organization exists, and what it seeks to accomplish;
- business—the main method or activity through which the organization tries to fulfill this purpose; and
- values—the principles or beliefs guide an organization's members as they pursue the organization's purpose

Whereas the mission statement summarizes the what, how, and why of an organization's work, a vision statement presents an image of what success will "look like." For example the mission and vision statements of the authors' organization, is:

The mission of the Support Centers of America is to increase the effectiveness of the nonprofit sector by providing management consulting, training and research. Our guiding principles are to : promote client independence, expand cultural proficiency, collaborate with others, ensure our own competence, and act as one organization.

We envision an ever increasing global movement to restore and revitalize the quality of life in local communities. The Support Centers of America will be a recognized contributor and leader in that movement.

With mission and vision statements in hand, an organization has taken an important step towards creating a shared, coherent idea of what it is strategically planning for.

The product developed at the end of Step 2 is a draft mission statement and a draft vision statement.

Step 3: Situation Assessment

Once an organization has established some clarity on why it exists and what it does, it must take a clear-eyed look at its current situation. Remember that part of *strategic* planning, thinking, and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. This step is about gathering up-to-date information about the organization's strengths, weaknesses, opportunities, threats, and performance—assessments that will highlight the critical issues that the organization faces and that its strategic plan must address. These could include a variety of primary concerns, such as funding, new program opportunities, changing regulations or changing needs in the client population, and so on; the point is to choose the *most important* issues to address, and typically a Planning Committee will agree on no more than five to ten critical issues around which to organize the strategic plan.

The products of Step 3 are a "data base" of concrete information that can be used to make decisions and a list of critical issues which demand a response from the organization—the most important issues the organization needs to deal with.

Step 4: Developing Strategies, Goals, and Objectives

Once an organization's mission has been affirmed and its critical issues identified, it is time to figure out what to do about them: the broad approaches to be taken (strategies), and the general and specific results to be sought (the goals and objectives). Strategies, goals, and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on—but the bottom line is that in the end the leadership agrees on how to address the critical issues.

This can take considerable time and flexibility: discussions at this stage frequently will require additional information or a reevaluation of conclusions reached during the situation assessment. It is even possible that new insights will emerge which change the thrust of the mission statement. It is important that planners *not* be afraid of going back to an earlier step in the process in order to take advantage of available information to create the best possible plan.

The product of Step 4 is an outline of the organization's strategic directions—the general strategies, long-range goals, and specific objectives of its response to critical issues.

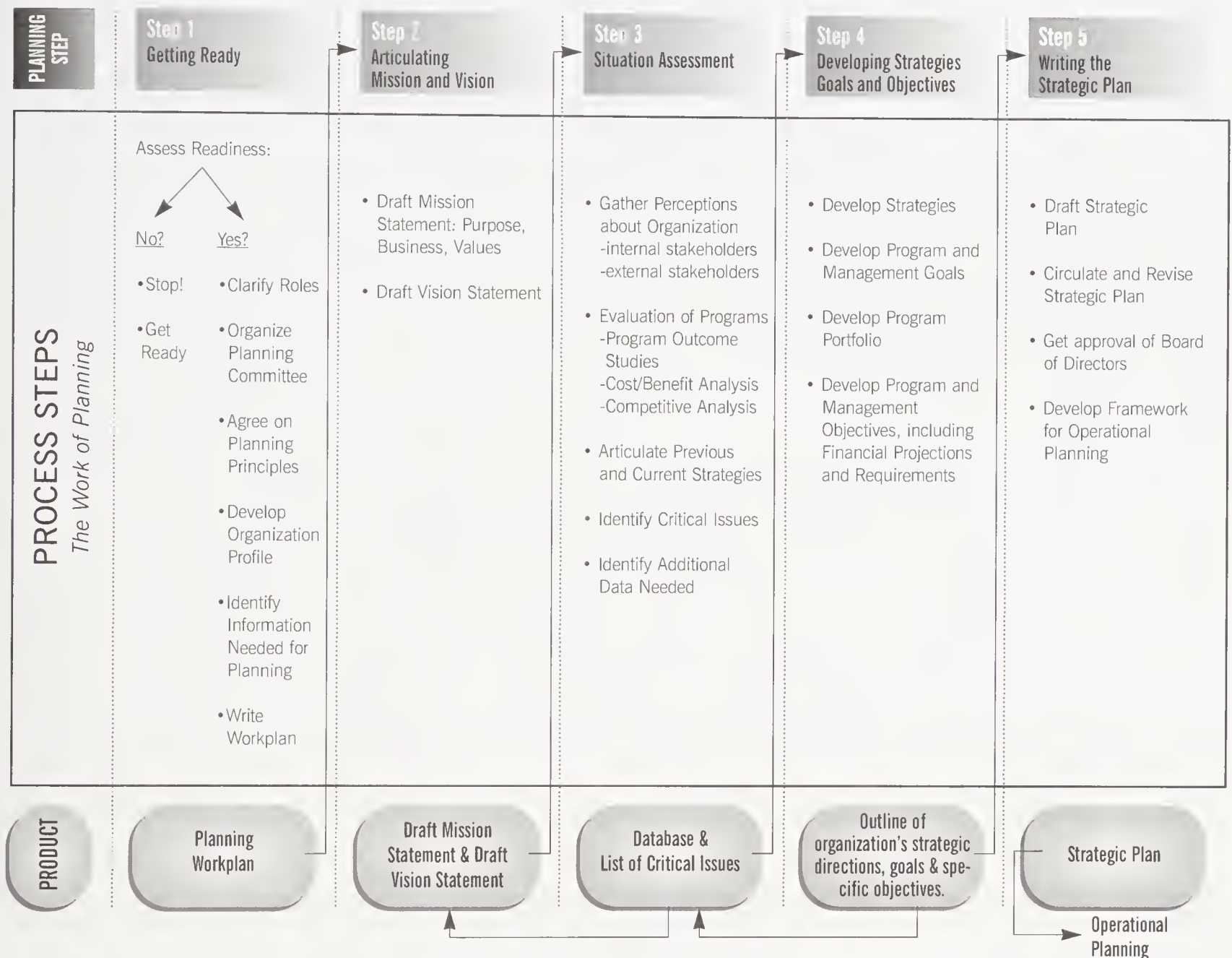
Step 5: Completing the Written Plan

The mission has been articulated, the critical issues identified, and the strategies agreed upon—so this step essentially involves putting all that down on paper. Usually one member of the Planning Committee, the Executive Director, or even a planning consultant will draft a final plan document and then submit it for review by all key decision makers (usually the board and top staff). This is also the time to consult with top staff to determine whether the document can be translated into operating plans (the detailed action plans for accomplishing the goals proposed by the strategic plan), to ensure that the plan answers key questions about priorities and directions in sufficient detail to serve as a guide. Revisions should not be dragged out for months, but action should be taken to answer any important questions get raised at this step. It would certainly be a mistake to ignore serious disagreement at this step just to wrap up the process more quickly. The end result will be a concise description of where the organization is going, how it should get there, and why it needs to go that way — ideas that are widely supported by the organization's staff and board.

The product of Step 5 is a strategic plan!



Strategic Planning Model: 5 Steps to Success



[C H A P T E R I I]

Taking **Steps**



Initiating a Planning Process

Strategic planning helps an organization remain vital and relevant: as one nonprofit leader says, “Organizations are like plants—they need to be repotted every two or three years.” In this case the new “pot” is the expanded or refocused vision, the conceptual container of the organizational dreams; the new “soil” consists of fresh information about the environment; and the new pot and soil allow for renewed roots and foliage, the “fruit” of the organization’s contribution to the community.

Strategic planning is a good idea in theory, but it is only a good idea in practice if the right people in an organization believe it is a good idea *and* the organization is ready. The initial worksheets provided in Step 1 specify prerequisites for successful planning as well as potential pitfalls to avoid. Chief among the prerequisites is a true commitment to the planning process by the executive director and board leadership. In other words, regardless of how much an organization “needs” to do some strategic planning, a sole program manager or member of a board will *not* be able to initiate a planning process alone, nor see that it happens successfully; top leadership *must* spend significant time and energy on the process, or it will merely amount to “going through the motions.”

Does this mean that a lonely visionary on the staff or board has no opportunity to initiate a strategic planning process? No—but it does mean that such an individual must actively recruit support from leaders by identifying the potential benefits to the organization and helping them see the *need* for planning. For example: Is the staff confused about how their programs relate to each other? Does the board shy away from seeking community support for the organization? Is it unclear what the organization has accomplished and how to measure the success of its efforts? If the answer to these kinds of questions is “yes,” then a compelling case for doing strategic planning can be made to the organization’s leadership. Similarly, an executive director working with board members who are reluctant to commit time, energy, or money to strategic planning must look for ways to understand the organization’s needs from *their* perspective. It’s important to take the time to build board and staff commitment to the process up front, because it *will* pay off down the line.

The strategic planning process is part of a board-staff partnership. The reason both board and staff need to be involved is that strategic planning is at the intersection of governance (the board’s role) and management (the staff’s role). Whoever initiates the strategic planning process, described below, must recognize that its success lies in getting involvement from all parts of the organization.

So whoever begins the discussion, the executive director and board president must come on board before going ahead. These two individuals at a minimum need to get clear on what they would like the planning process to accomplish and to assess the organization’s readiness, Worksheets 1 and 2. If it makes sense to go forward, then proceed with forming a Planning Committee and get ready!

Step 1 Getting Ready

Perhaps the best place to start the process of strategic planning is establishing some context for the effort—if an organization is considering doing such planning, there are probably some underlying reasons and hoped-for outcomes. This is not a formal evaluation, as in the Situation Assessment that will be completed in Step 3, but simply a way to “get a handle on” the concerns and expectations that inform this effort at the outset.



PLANNING PROCESS OUTCOMES — PROCESS NOTES

How to do this activity:	Once you begin to consider doing some planning, use Worksheet 1 to list your expectations: what success would look like at the completion of the planning process, what you hope to accomplish by the end of this process. List some of the general or specific issues and choices that you think the planning process needs to address
Why do this activity:	You have to agree on “ends” before you can agree on “means.”
Who to involve in the process:	Executive director, board president (plus other key board and staff if their input would be helpful).

Organizational Readiness

As with any major effort, a strategic planning process has its proper time and place in the life of the organization. Certain conditions and criteria must exist (and others must not) if strategic planning is to be a creative, collaborative, successful endeavor—so it is important to be honest when analyzing an organization’s readiness to plan. It is not uncommon for a planning process to be initiated before an organization is truly ready to meet its challenges and demands—and it is not uncommon for that organization to then go through an inadequate process and arrive at unsatisfactory results. An organization should make sure the following criteria are in place before deciding to plan:

- commitment and support from top leadership, especially the executive director and board president, throughout the entire process;
- clear roles and expectations for all participants in the planning process, including clarity as to who will contribute input to the plan versus who will be the decision makers;
- access to relevant information for assessing the organization (sufficient market research), and willingness to recognize and respond to the organization’s internal and external environment (strengths, weaknesses, opportunities, and threats);
- at least one strategic thinker, and at least one realist;
- willingness to be inclusive and encourage broad participation, so that people feel “ownership” of and

(ASO/USA EXAMPLE)

WORKSHEET 1 • PLANNING PROCESS OUTCOMES

WHAT DOES YOUR ORGANIZATION WISH TO ACHIEVE FROM A PLANNING PROCESS?
WHAT ISSUES OR CHOICES DO YOU THINK NEED TO BE ADDRESSED?

ISSUES:

1. Concerned about overdependence on one CDC grant.
2. Inactive board of directors.
3. Program staff are burning out.
4. Financial management is a mess.
5. City and state are requiring more detailed outcome evaluation.

WANT TO ACHIEVE:

1. Written 3 year plan and vision.
2. Plan for strengthening development and function.
3. Better coordination of program activities.
4. Fundraising plan.



energized by the process;

- an adequate commitment of organizational resources to complete the planning process as designed, for example, staff time, board time, dollars spent on the process (market research, consultants), and so on;
- a board and staff that understands the purpose of planning, realizes what it is and is not able to accomplish, and has consensus about the desired outcomes of the planning process;
- a true commitment to assessing current programs and to meeting current and future client needs;
- a willingness to question the status quo, to look at new ways of doing and evaluating things; and
- good working relationships and no *serious* conflicts between key players.

Those are the elements an organization should have in place before committing to a strategic planning process—but equally important are the pitfalls to be avoided when considering such an effort. An organization that recognizes itself in any of the following symptoms should step back and rethink the feasibility of its planning endeavor:

- top management's assumption that strategic planning is something separate from the entire management process;
- top management's assumption that it can completely delegate the planning function to a planner;
- top management so engrossed in current problems (such as a financial crisis or other extreme circumstance) that they have neither the time, nor the leeway to look far enough ahead, to plan for the future;
- top management's tendency to reject the decisions made during the planning process in favor of its own intuitive decisions;
- failure to involve line staff and board in the planning process;
- failure of top management to include department and division heads in developing plans for their departments;
- failure to articulate constraints and non-negotiables up front;
- failure to create an organizational climate that is receptive to planning and change;
- too much formality or rigidity in the planning process, so that it lacks simplicity and restrains creativity.

If many of the above criteria are missing, or if many of the top pitfalls are present, then an in-depth strategic planning process may not be appropriate at this time. Even if an organization is halfway through the planning process before realizing that it isn't really ready to plan, it should stop right there and remedy the situation before continuing with the process.

Prior Experience

In addition to assessing current circumstances, it is useful to assess past efforts at planning and apply any lessons learned. If an organization's previous planning processes were successful, then it will want to try to duplicate that success by using similar processes this time around. But if prior planning efforts have not worked well, or the plans that resulted from prior efforts were not followed, then an organization needs to spend some time figuring out why this is so and what changes might benefit future planning efforts.



ORGANIZATIONAL READINESS — PROCESS NOTES

How to do this activity:

Before embarking on a strategic planning process, review past planning documents and talk to participants of prior planning processes at your organization. Describe what has worked or not worked in the past, using Worksheet 2. Check “yes” or “no” in the Criteria and Pitfalls checklists. Explain any negative responses. Decide whether to proceed with planning: “Go” or “No GO.” If significant barriers exist that might impede the process, deal with those barriers before continuing.

Why do this activity:

Helps you decide whether you are ready to embark on a planning process: sets you up for success.

Who to involve in the process:

Executive director, board president, (plus other key board and staff if their input would be helpful).

Participants and Participation

Strategic planning should be an inclusive effort that engages key stakeholders at appropriate stages. Who are stakeholders? Simply stated, a stakeholder is anyone who cares, or should care, about the organization—anyone who has a “stake” in the success or failure of its mission. This encompasses those who must implement the strategic plan, those who benefit from its implementation, and those who could significantly help or hinder its implementation: board members, staff (part- and full-time, salaried and volunteer, current and previous), funders (existing, potential), clients (existing, past, potential), community leaders, competitors, potential collaborators, and other agencies in parallel or related fields.

Part of the thoughtfulness and creativity of the strategic planning process is identifying those individuals and groups who traditionally might not be regarded

as “key” stakeholders, but who might contribute unique and valuable perspectives (not to mention those who should be included because of other substantive or “political” reasons). It is important to include this range of participants because a truly inclusive process

(ASO/USA EXAMPLE)

WORKSHEET 2 • ORGANIZATIONAL READINESS

ASSESS YOUR ORGANIZATIONAL READINESS: WHAT CRITERIA FOR SUCCESSFUL PLANNING ARE IN PLACE? WHICH PITFALLS CAN BE AVOIDED? WHAT CAN YOU LEARN FROM PRIOR EXPERIENCE WITH PLANNING?

PRIOR EXPERIENCE DOING PLANNING: WHAT HAS WORKED? WHAT HASN'T WORKED? WHY?

- As part of the first year grant, a program plan was developed.
- Two years ago, started to develop a strategic plan, but in midst of a lot of internal conflict, executive director left.
- Program staff and board members tend to focus on day to day issues, hard to get agreement on the big picture.

THE FOLLOWING CRITERIA FOR SUCCESSFUL PLANNING ARE IN PLACE.

YES	NO	CRITERIA
✓		Commitment and support from top leadership, especially the executive director and board president, throughout the entire process.
?		Clear roles and expectations for all participants in the planning process, including clarity as to who will contribute to the plan and who will be the decision makers.
?		Access to relevant information for assessing the organization — sufficient market research; willingness to understand and respond to the organization's internal and external environment (strengths, weaknesses, opportunities and threats).
✓		At least one strategic thinker, and at least one realist.
✓		Willingness to be inclusive and encourage broad participation, so that people feel “ownership” of and energized by the process.
?		An adequate commitment of organizational resources to complete the planning process as designed, for example, staff time, board time, dollars spent on the process (market research, consultants), and so on.
✓		A board and staff that understands the purpose of planning, realizes what it is and is not able to accomplish and has consensus about the desired outcomes of the planning process.
✓		A true commitment to assessing current programs and to meeting current and future client needs.
✓		A willingness to question the status quo, to look at new ways of doing and evaluating things.
+/-		Good working relationships and no serious conflicts between key players.

Comments to explain and respond to “No” or “?” answers:

- Our data is inconsistent regarding our performance and the “market” for our services.
- We think we have enough resources in terms of board and staff time. We need a grant to hire a consultant to help with research and facilitation of the process.
- In general, working relationships are pretty good, but there is always some conflict—be real!
- We really need to think through who has input and who gets to make the decisions.

THE FOLLOWING PITFALLS CAN BE AVOIDED:

YES	NO	CRITERIA
✓?		Top management's assumption that strategic planning is something separate from the entire management process.
✓		Top management's assumption that it can completely delegate the planning function to a planner.
✓		Top management so engrossed in current problems (such as a financial crisis or other extreme circumstance) that they have neither the time, nor the leeway to look far enough ahead, to plan for the future.
✓		Top management's tendency to reject the decisions made during the planning process in favor of its own intuitive decisions.
✓		Failure to involve line staff and board in the planning process.
✓		Failure of top management to include department and division heads in developing plans for their departments.
✓		Failure to articulate constraints and non-negotiables up front.
?		Failure to create an organizational climate that is receptive to planning and change.
✓		Too much formality or rigidity in the planning process, so that it lacks flexibility and simplicity, and restrains creativity.

Comments to explain and respond to “No” or “?” answers:

- We will have to work hard to overcome the resistance to planning built up on the past experience, as well as the natural resistance to change.
- Since we don't do strategic planning every day, it is separate. Still, the point that it needs to be connected to our day-to-day management work is on target.

ORGANIZATIONAL READINESS: Go or NO GO?



- helps build internal and external enthusiasm for and commitment to the organization and its strategies—those who feel they have contributed to the planning process then feel invested in it and are more likely to take ownership of the organization's goals and efforts;
- adds objectivity to the process—"outsiders" can identify jargon or ask critical questions about issues that "insiders" might assume common knowledge of or simply take for granted;
- develops foundations for future working relationships;
- establishes a continual information exchange among staff, management, clients, and other key stakeholders; and
- ensures an adequate depth and breadth of data from which to make informed decisions.

Stakeholders' Roles in Planning

Determining *how* to include all these stakeholders can prove trickier than identifying who they are, for there are many different kinds and levels of participation in the planning process:

- leadership—taking the initiative to see that decisions get made and things get done;
- facilitation—paying attention to process rather than content (a role played, for example, by an outside consultant or neutral participant);
- input—providing information and opinions; and
- decision making—using that information and those opinions to establish strategies and goals.

It is especially important to delineate between those stakeholders who *provide input* and those who *make decisions*. Being asked an opinion is not necessarily the same as having a final say in related decisions, but stakeholders sometimes lose sight of that distinction. It is the responsibility of those who do make the decisions to build in a process for letting participants know what was done with their information and the rationale for decisions that were made.

The nature of stakeholders' participation will depend on any number of factors— an organization's size, "culture" and management style, range of constituents, breadth of services, and so on—but below are some general understandings of specific stakeholders' roles in the strategic planning process.

- *Executive Director.* The executive director is usually the chief planner and prime "mover" of the plan through the entire process. He or she works closely with the chair of the Planning Committee and often serves as the prime liaison between the staff and the Planning Committee; sometimes the executive director also writes the plan, but may delegate that responsibility to someone else. Finally, the executive director plays a crucial role in that he or she is ultimately responsible for the implementation of the plan.
- *Board of Directors.* In its governance capacity one of the board's primary responsibilities is planning—to make sure a good planning process is in place, contribute a visionary, big-picture perspective to the process, and approve the final plan. The board should provide input for the mission, vision, values, and situation assessment aspects of the plan; the board might also be involved in strategy discussions, setting long-term program and administrative priorities, and setting goals for the board itself.
- *Staff.* Paid and volunteer staff have programmatic expertise and familiarity with the field and clients, which are vital to shaping a relevant and workable strategic plan. Their involvement not only ensures "buy-in" to the organizational goals and strategies, but it is also the link between the plan's vision and the realization of that vision on a day-to-day basis.
Some staff might also be asked to collect data (do market research) and evaluate programs. Program managers should have input into setting long-term program objectives and should assist in the development of operational plans. Ideally, staff should be represented on the Planning Committee.
- *Clients.* The sole reason for most nonprofits' existence is the betterment of society, whether that means enriching cultural life, feeding the hungry, increasing the quality of life of people with AIDS. In a plan-



ning process, then, it is critical to evaluate what kind of job the organization *is* and *should* be doing in this regard. Directly involving past and present clients in the planning process, and soliciting their unique first-hand experience of the organization, is one of the best ways to gain such insight into the organization's performance and guidance for future services. Some organizations include client representatives on the Planning Committee.

- *Funders.* Past, current and potential funders provide another valuable perspective on client needs and how others in the community are either meeting or failing to meet those needs. They may be able to shed some light on the funder community's inclination to fund a specific new program; likewise, discussions with funders might enable an organization to design "fundability" into a program at the outset. Funders' input should be sought primarily during the situation assessment stage of the planning process; current and future funders should also receive an executive summary of the strategic plan.
- *Community Leaders.* Community leaders can also offer a valuable opinion of an organization's strengths and weaknesses, as well as insight into the needs of the community and knowledge of the competition. Some organizations include a key community leader on the Planning Committee, thereby building in community commitment to the organization and its mission.
- *Competitors and Potential Collaborators.* Competitors might also be approached to contribute to an organization's situation assessment—not just to get another outside opinion, but also to garner information to help the organization be more competitive or to develop collaborative relationships.

Participation: Top-Down, Bottom-Up or Hybrid Planning

Finally, a basic influence on the nature of stakeholder participation will be whether an organization uses a top-down or bottom-up planning process. A top-down process assumes that those with the highest level of responsibility in an organization are in the best position to be big-picture thinkers and plan what is best for the organization; the main drawback to this approach is that it often results in plans that do not have the understanding and support of line staff (those most directly involved in providing services to clients), and the plan may not prove feasible or in the best interests of the clients. A bottom-up planning process, on the other hand, compiles plans from individuals or departments, thereby addressing the need for staff input and investment; such a process, however, can produce a patchwork plan that lacks coherence for the organization as a whole and results in an uncoordinated, even wasteful, use of resources.

The best approach seems to be a hybrid that strikes a balance between the need for decisive leadership and productive collaboration, featuring the open communication of a bottom-up planning process as well as the clear coordination of a top-down process. The net result is an effective combination of the best of both models of participation; the planning process described in this workbook is such a hybrid.

PARTICIPATION IN THE PLANNING PROCESS — PROCESS NOTES

How to do this activity:	Fill out Worksheet 3: list all the people who you consider stakeholders; identify their possible involvement.
Why do this activity:	Helps ensure that you have included the right players in the process, and have done so appropriately; involvement of stakeholders increases the knowledge base of and commitment to the plan. Provides data for making sure that your Planning Committee has the right membership.
Who to involve in the process:	Planning Committee members.

(ASO/USA EXAMPLE)

WORKSHEET 3 • PARTICIPATION IN THE PLANNING PROCESS

LIST ALL POSSIBLE STAKEHOLDERS AND HOW THEY SHOULD BE INVOLVED IN THE PLANNING PROCESS

HOW DO WE INVOLVE INDIVIDUALS IN THE PLANNING PROCESS?

	Consultant (expert role)	Consultant	Staff	Executive Director	Board	Strategic Planning Committee	Other Stakeholders: current/past clients community leaders XYZ Foundation
Information identification collection and analysis	input	facilitate	input	lead	input	decide	input
Discussion of, & decisions on mission, vision, values, program	input	facilitate	input	input	decide	lead	
Critical issues & strategies	input	facilitate	input	lead	input	decide	
Goals and objectives	input	facilitate	lead	decide	input	input	
Writing the plan		facilitate	input	lead	decide	input	

The Planning Committee

The Planning Committee spearheads the planning process—which means that committee members are not responsible for *doing* all of the work, but they are responsible for ensuring that the work gets *done*. Basically they are the quarterback for the strategic planning effort, deciding which stakeholders to involve and how to involve them, prioritizing or narrowing information for the organization to discuss and evaluate, creating initial drafts of documents, and so on. The Planning Committee should

- consist of approximately 6–8 individuals;
- be a combination of visionaries (people who see what the organization can be and can rally the organization around that vision) and actionaries (people who ask what the resources will support and ensure that the projected goals and tasks are realistic);

- be a group that has informal power and the respect of the organization;
- be a diverse group of stakeholders with a commitment to who are committed to a vision for the common good rather than just advocating for the particular population they represent;
- be a combination of board and staff members, including the executive director and whoever will write the final plan.

A Planning Committee made up of both board and staff is typically selected by the Executive Director and the Board President. The committee should be convened once a decision to go ahead has been reached.

Everyone involved in the planning process must talk the same “planning language” and have a shared understanding of just what the process entails. Words such as *purpose*, *mission*, *strategy*, *strategic*, *goal*, *objective*, *vision*, and *long-range* have different meanings to different people; even the nonprofit and for-profit sectors sometimes use these terms in different ways. As part of this “Getting Ready” step in the planning process, the Planning Committee should receive training on, and agree on, the language and processes of their strategic planning effort.

Consultants

Many organizations include an outside consultant in some or all of the planning process. For example, it is quite common to have a consultant facilitate retreats and meetings, serving as a “conversation traffic cop” so that good ideas do not get lost among the emotions or personalities of the participants. A facilitator can also provide objectivity by asking clarifying questions, challenging assumptions, encouraging the group to question the status quo, and seeing that organizational jargon is kept to a minimum. Organizations can also look to consultants for information or training on planning language, tools, and processes. (See Chapter III for more detailed suggestions on using consultants in the strategic planning process.)

Planning Principles and Values

At the outset, the Planning Committee should state the very principles and values that will broadly govern the strategic planning effort. Planning Principles and Values serve as a framework for assessing the integrity and responsibility of the planning process. For example, the Support Centers of America adopted the following planning principles and values for its own strategic planning:

- Inlusiveness: input will be sought from all levels within the organization.
- Meaningful participation: staff should feel that their participation is substantive with the potential for real influence on the outcome of the plan; if an individual is expected to implement a strategy, that individual should participate in shaping that strategy;
- Share the work: the successful completion of the planning process should not depend on one or two people.
- Focus on the big picture: there should be no expectation that every concern or complaint will be addressed by the strategic planning process. We will, however, address all critical issues, regardless of how difficult those issues may be.
- Ownership: we will seek to develop deep ownership of our mission, vision, critical issues, and corporate strategies.
- We will be strategic: our strategies should be responsive to the environment, based on our understanding of the probable future environment. Much of this understanding will come from in-depth market research.

PLANNING PRINCIPLES AND VALUES — PROCESS NOTES

How to do this activity:	At the first meeting of the Planning Committee, brainstorm and get consensus on the principles and values that will be followed during the planning process. You might use Worksheet 4 to record your agreed upon values. Distribute a copy to all board and staff.
Why do this activity:	Helps to lay the framework for successful planning and starts to build experience with developing agreement among participants. Useful for defining and keeping on track the planning process: practice should reflect values.
Who to involve in the process:	All members of the Planning Committee.



(ASO/USA EXAMPLE)



WORKSHEET 4 • PLANNING PRINCIPLES & VALUES

WHAT ARE YOUR ORGANIZATION'S PLANNING PRINCIPLES & VALUES?

- Inclusiveness: input will be sought from all levels within the organization.
- Meaningful participation: staff should feel that their participation is substantive with the potential for real influence on the outcome of the plan; if an individual is expected to implement a strategy, that individual should participate in shaping that strategy;
- Share the work: the successful completion of the planning process should not depend on one or two people.
- Focus on the big picture: there should be no expectation that every concern or complaint will be addressed by the strategic planning process. We will, however, address all critical issues, regardless of how difficult those issues may be.
- Ownership: we will seek to develop deep ownership of our mission, vision, critical issues, and corporate strategies.
- We will be strategic: our strategies should be responsive to the environment, based on our understanding of the probable future environment. Much of this understanding will come from in-depth market research.

Organizational History and Profile

Part of the context of an organization's strategic planning effort is the organization's history: where it came from and how it arrived where it is today. The Planning Committee should have a common understanding of this context, a shared knowledge of the "cultural history" and current form of the organization, so that all committee members are building the plan on the same foundation. As part of "Getting Ready" for strategic planning, then, an organizational history and organizational profile should be prepared.

The history is simply a brief summary of the events that have shaped the organization—for example, when the organization started, a timeline that shows when programs were first offered, milestones reached in the organization and in its programs, and significant external events that affected the organization's course.

Similarly, the organizational profile is a summary of all organization programs. This can be accomplished in three basic steps (which might be accomplished even more quickly by using documents that already present this information, such as annual reports or brochures):

- List all specific program activities and services (for example, counseling and support, housing, information and referral, speaking engagements at corporations, public policy updates, and so on).
- Group these program activities and services according to common outcomes, categories, similar services, or the like (think of these groupings as "program buckets," for example: education, direct services, advocacy); list each program activity or service under the most appropriate program grouping, and note current levels of activity and scale of current programs (including production data such as number of clients served, cost per unit of service, geographic locations serviced, etc.).
- *Record current staffing levels for all programs and for the entire organization, as well as the size of board of directors; also briefly summarize sources and use of funds, analysis of financial condition, and other related organizational and management data.*

ORGANIZATIONAL PROFILE — PROCESS NOTES

How to do this activity:	Summarize the organization's history. List and group all program activities into broad program groupings and describe current scope and scale of services. Add related organizational and management (infrastructure) data. See Worksheet 5 for a possible presentation format. Take advantage of any documents that already explain the organizational profile, such as annual reports or brochures. This information should be distributed to all members of the Planning Committee at the first or second meeting.
Why do this activity:	Helps ensure that all members of the Planning Committee are operating from same knowledge base about the organization. Organizes and presents programs for mission statement discussion.
Who to involve in the process:	Someone who has in-depth knowledge of the organization's programs and history.

Identifying Information Needed for Planning

Effective strategic plans are the end product of discussions by informed individuals. Much of the information will be analyzed during Step 3 — Situation Assessment, but there is some research and information gathering that can be started earlier. This information will likely include:

- Key trends in the program environment; plans and attitudes of major existing funders; views of key community informants; demographic changes within the target population; regulatory changes.
- List of competitors including what services they offer, prices charged, etc.
- Client statistics and other information needed to evaluate

programs: client data trends for the past five years; changes in client mix based on staff observation; consumer attitudes; quality indicators; changes in the program base for the last five years.

- Financial trends of the organization for the past five years.

(ASO/USA EXAMPLE)

WORKSHEET 5 • ORGANIZATIONAL PROFILE

SUMMARIZE YOUR ORGANIZATION'S HISTORY & CURRENT PROFILE

PRESENTATION OF ORGANIZATION'S HISTORY:
AIDS Service Organization/USA (ASO/USA)
• founded in 1989 • mid-size city (500,000 population), Youtown, USA

PROGRAM FOCUS

- focus population(s) men of color
- only organization in the city dedicated exclusively to people of color
- originally started as volunteer program doing educational outreach prevention services at bars and on street
- 1992 started support groups to support men of color staying HIV-
- 1993 started patient advocacy for people seeking medical services, and support groups for men who have recently tested positive.

FINANCIAL SUPPORT

- first grant in 1991 from the city for street and bar outreach

STAFF

- founding director left after three years, new E.D. on staff 1.5 years

ORGANIZATIONAL PROFILE:

List all specific program activities (services, projects)	Group the activities into categories, and note their current scope and scale of service	Note any related organizational and management data (infrastructure data)
<ul style="list-style-type: none"> • Bar outreach • School & Business outreach • Publicity campaigns • Street outreach 	<p>PREVENTION EDUCATION</p> <ul style="list-style-type: none"> - 52 interventions at local bars - 30 presentations to area schools; 15 businesses - 3 media campaigns - 5 education brochures (3 in two languages) - 154 speaking engagements - other speaking engagements <p>ADVOCACY</p> <ul style="list-style-type: none"> - monthly lobbying efforts and additional lobbying as needed - weekly AIDS network meetings <p>SUPPORT SERVICES</p> <ul style="list-style-type: none"> - 4 on-going support groups - 2 drop-in groups - counseling and referral to 137 clients, at an average of 10 hours per client - information and referral services 	<p>FINANCIAL SUPPORT</p> <p>1994 budget \$225,000</p> <ul style="list-style-type: none"> - \$100,000 - CDC for prevention - \$ 80,000 - city for groups & counseling - \$ 25,000 - state for media campaign - \$ 15,000 - one foundation - \$ 5,000 - individuals/special events <p>STAFF & BOARD</p> <ul style="list-style-type: none"> • 5 staff (2 part time) • 9 board, 4 are active • 21 volunteers, 15 who are most active <p>SYSTEMS</p> <ul style="list-style-type: none"> • manual bookkeeping system • 2 Macintosh SE machines



INFORMATION GATHERING — PROCESS NOTES

How to do this activity:	At the first meeting of the Planning Committee, brainstorm a list of information that Planning Committee and management will need during the situation assessment discussion and in order to make planning decisions. Prioritize data needs. Develop a plan for how and when data will be collected, and who will collect it. Summarize information gathering plan on Worksheet 6.
Why do this activity:	Good information helps make (good) informed decisions.
Who to involve in the process:	All members of the Planning Committee brainstorm list of data that needs to be collected; collection of data delegated to appropriate individual(s).



(ASO/USA Example)

WORKSHEET 6 • INFORMATION GATHERING

LIST THE INFORMATION THAT YOU WILL NEED TO COLLECT AS PART OF THE PLANNING PROCESS. IDENTIFY WHO WILL COLLECT IT, AND HOW.

Collect data on new HIV cases among women and children and projections for next five years — Joe, by 4/1

Ask bookkeeper to do trend analysis on statement of revenue and support for prior three years: % of government, individuals, and foundations — Betty Bookkeeper, by 4/1

Develop and mail out client survey questionnaire — use basic format in workbook — ask Tim to review and add a few questions — mail out by 3/15; collate by 5/1

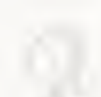
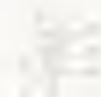
Information on HIV projections from State — Ernesto, by 4/10

Report from NMAC on policy issues — Joe, by 4/1

Cost/proposal for consultant for strategic planning process and technical assistance for financial management— Ernesto, 1/15

Developing a Workplan


Last but not least, the Planning Committee will need to develop an overall workplan for managing the planning effort (also referred to as a “plan to plan”). The workplan should outline the activities involved over the course of the entire planning process, persons responsible for executing or overseeing those tasks, desired outcomes, resources required (e.g., time and money) and/or time frames. Use the workplan as a guide, it will probably need to be adjusted along the way. Try to be as realistic as you can in estimating the time needed for each activity. For an example of a preliminary workplan, see Chapter III.



WORKPLAN — PROCESS NOTES

How to do this activity:	List all the activities that need to occur over the planning process, including processes to be used (such as interviews, retreats, etc.), and desired outcomes or products. Delineate who is responsible for ensuring that the activity gets done, and hours required/time frames. Be realistic about resources—especially time. This task should be delegated to a Planning Committee member at its first meeting; that person will write up a workplan and present back to group. An alternative is for the executive director and/or consultant to write a workplan and present it at the first Planning Committee.
Why do this activity:	"Failure to plan is planning to fail."
Who to involve in the process:	Planning Committee members.

(ASO/USA Example)



WORKSHEET 7 • WORKPLAN

DEVELOP A PLAN OF ACTION THAT DESCRIBES THE PLANNING PROCESS ACTIVITIES, WHO IS RESPONSIBLE AND TIME FRAMES

See Workplan in Chapter 3 of the NMAC's [Strategic Planning for ASOs: A Practical Guide and Workbook](#). It sure fits our organization!



Step 2 Articulating Mission & Vision

The whole point of creating a strategic plan is to establish a common understanding of, and ambition for, an organization's work. Perhaps the single most succinct reflection of this shared understanding lies in the organization's mission and vision statements—declarations of intentions, hopes, and expectations.

Mission Statement

In just a few sentences, a mission statement needs to communicate the essence of an organization to its stakeholders and to the public: one guiding set of ideas that is articulated, understood, and supported by the organization's board, staff, volunteers, donors, and collaborators. For example:

At the Developmental Studies Center we develop, evaluate, and disseminate programs that foster children's ethical, social, and intellectual development. While nurturing children's capacity to think skillfully and critically, we also strive to deepen children's commitment to prosocial values such as kindness, helpfulness, personal responsibility, and respect for others—qualities we believe are essential to leading humane and productive lives in a democratic society. (*Developmental Studies Center, Oakland, CA*).

In *Profiles of Excellence*, the Independent Sector stresses that a "clear, agreed-upon mission statement" is one of the four primary characteristics of successful nonprofit organizations (the other three are a strong, competent executive director; a dynamic board of directors; and an organization-wide commitment to fund-raising). Failure to state and clearly communicate a organizational mission can have harmful consequences:

- the organization may not think broadly enough about the possibilities for how to accomplish its mission if it is unclear or overly narrow;
- organization members can waste time "barking up the wrong tree"; and
- the organization may not realize when it is time to go out of business.

Perhaps this justification is best left to Lewis Carroll's Cheshire Cat in *Alice in Wonderland*, who eloquently summarizes the importance of mission statements: "If you don't know where you're going, any road will take you there." Indeed!

Components of a Mission Statement

In defining "who" an organization is, a mission statement needs to indicate the organization's purpose, business, and values.

The "purpose" component explains what the organization seeks to accomplish—why it exists and the end result of its efforts. A purpose statement usually includes two basic elements:

- an infinitive verb that indicates a change in status (such as to increase, to decrease, to eliminate); and
- an identification of the problem to be addressed or condition to be changed (such as access to health care, poverty, homelessness).

For example, an agency's purpose might be "to increase access to health care," or "to decrease poverty," or "to eliminate homelessness." Note that these examples focus on *outcomes and results* rather than methods. They describe how the world is going to be different—what the organization intends to change. Thus, the purpose of an agency serving the homeless should not be described in terms of their method "to provide shelter for homeless individuals." The purpose should be described in terms of a broader end result, such as "to eliminate the condition of homelessness in our region."

The “business” component, though, *does* state the method or action through which an organization pursues its purpose—how it goes about addressing the stated problem. (Some don’t like to use the word “business” to describe this component, but it doesn’t matter how it is labeled—just as long as the action or method is clearly described.) Business statements often include the verb “to provide” or link a purpose statement with the words “by” or “through.” For example, that housing agency might try to eliminate homelessness “by constructing housing for homeless individuals,” or “through educating the public and advocating for public policy changes,” or “by providing counseling and job training to homeless individual.”

Finally, the “values” component describes the basic beliefs shared by members of the organization and practiced in their work—for example, a commitment to excellent services, innovation, diversity, creativity, honesty, integrity, and so on. Values might also state related beliefs, such as a vegetarian association’s assertion that “Eating vegetables is more economically efficient and ecologically responsible than eating beef.” The values component highlights the important connection between the nature of the organization’s work and people’s commitment to it; ideally, the personal values of staff, as well as external constituents and supporters, will align with the values of the organization. When developing a written statement of the organization’s values, stakeholders will have a chance to contribute to the articulation of these values, evaluate how well their personal values and motivation match those of the organization, and build their commitment to the organization through their commitment to its values.

The example cited above includes all three basic components:

At the Developmental Studies Center we develop, evaluate, and disseminate programs [*business*] that foster children’s ethical, social, and intellectual development [*purpose*]. While nurturing children’s capacity to think skillfully and critically, we also strive to deepen children’s commitment to prosocial values such as kindness, helpfulness, personal responsibility, and respect for others—qualities we believe are essential to leading humane and productive lives in a democratic society [*values*].

Another example:

The YMCA of San Francisco, based in Judeo-Christian heritage [*values*], seeks to enhance the lives of all people [*purpose*] through programs designed to develop spirit, mind, and body [*business*].

Other Possibilities

Some mission statements go beyond the basics to say more about the organization—what makes it unique, who benefits from it, key strategies, and so on. For example:

NATIONAL TASK FORCE ON AIDS PREVENTION MISSION STATEMENT

The National Task Force on AIDS Prevention is a National Minority Organization dedicated to ending the AIDS epidemic *[PURPOSE]* by advocating for and assisting in the development of HIV education and service programs by and for gay and bisexual men of color *[BUSINESS]*. Our initial funding from the Centers for Disease Control (CDC) occurred under the umbrella of the National Association of Black & White Men Together (NAB-WMT) which today has approximately 27 chapters throughout the country. We applied for and received our own 501(c)3 tax exempt status on April 7, 1992.

The Task Force is committed to advocating for gay and bisexual men of color, to conducting risk workshops and basic research, such as knowledge, attitude and behavior (KAB) studies. Moreover, we seek to network and build partnership with other groups similarly committed to HIV education, prevention and early intervention programs serving gay men of color communities, specifically, and people of color communities, generally.

Thus our work falls into three distinct categories:

- Programs to prevent HIV transmission and to reduce the rates of new infection through teaching the basics of how HIV is passed from person to person, as well as facilitating the development of skills for individual protection.
- Programs aimed at early intervention in the disease process. This involves providing information about HIV antibody testing, and for those who are HIV-positive, finding appropriate ways of utilizing the healthcare system and making it more responsive to the individual needs of gay men of color. Through our programs we seek to improve the quality of life for people with HIV infection, as well as those who love and care for them. Our view is that such services can reduce the risk of opportunistic infections, and ultimately, improve the quality of life for all affected by the disease.
- Programs aimed at preventing or reducing alcohol and substance abuse. This involves dealing directly with the most significant set of co-factors for death from AIDS, such as self-destructive behavior patterns among alcohol and substance users that contribute to many additional health risks that might lead to death. Again, it is our view that alcohol and substance abuse can also translate into a breakdown of commitment to safer sex, thus leading to transmission of HIV.

[ABOVE POINTS PROVIDE ADDITIONAL DESCRIPTION OF BUSINESS]

We have learned from experience that all AIDS education plans and probably all health education plans must be culturally sensitive and linguistically appropriate to specific communities - even to sub-segments of those communities.

In our experience, we see that, while Government has lagged far behind, advances in HIV/AIDS prevention, services, long-term care, and now even research, have come from groups similar to the National Task Force on AIDS Prevention. *[VALUES]*

Because our communities desperately need a coordinated plan of attack against AIDS, we believe that in developing a coordinated strategy for confronting the challenges of the AIDS epidemic, we must put aside the differences and work together. We further realize that through community organizations networking with each other and with all levels of government, in spite of our differences, we can get the job done. As open, proud, gay men of color stepping forward to be involved and to work with others, we invite you to join us in our fight to conquer HIV/AIDS. *[VISION]*

Organizations must individually decide to use such an “elaborated” format or the briefer format, but neither is right or wrong—as long as the outcome is one coherent, guiding, agreed-upon statement that is understood and supported by internal and external stakeholders.

Drafting a Mission Statement*

Just as there is no “right” or “wrong” format for a mission statement, there is also no formula for how to go about writing one—again, the most important thing is that the main ideas are agreed upon. Still, it is useful to realize that while groups are good at many things, writing is *not* one of them! Staff, board, and Planning Committee members might all participate in generating and discussing ideas, but it usually proves most efficient to leave one or two Planning Committee members in charge of actually getting the words on paper.

One way to start the process is to discuss the mission statement (either revisions to the organization’s current statement or the creation of a brand-new one) at a board or staff retreat; a broad preliminary discussion of the concepts to be included in the statement will quickly demonstrate areas of consensus and disagreement. The designated Planning Committee members might then write a first draft of the statement—and redraft it as it goes through the process of review, discussion, refinement, and final approval by the Board of Directors.

While the Planning Committee is primarily responsible for hammering out the details of the mission statement’s format and wording, the evolving draft should also be circulated several times through board, staff, and perhaps other stakeholders as well. Some consultants also advise organizations to seek an outside opinion from someone unfamiliar with the organization, to gauge how accessible the statement is to the “uninitiated.” The great advantage of hashing over the statement this way is that the discussion and debate introduces newcomers to the nuances of the organization’s mission, refreshes old-timers’ understanding, fosters stakeholders’ sense of participation and commitment, and results in a mission statement that genuinely expresses a collective intention and common ideas. With a measure of passion, humanity, and an eye on the big picture, a Planning Committee can keep refining the mission statement until it has a version that stakeholders can actively support.

MISSION STATEMENT — PROCESS NOTES

How to do this activity:	Two options: a) have board and staff fill out Worksheet 8 in advance of a planning retreat, and then discuss it at the retreat; b) have one or two designated writers from the Planning Committee draft the mission statement and present first to the Planning Committee, then to Board and staff for feedback.
Why do this activity:	Clarity about your mission is vital—you need to know where you’re going before you can figure out how to get there. Expect to go through a few drafts before getting one that everyone likes.
Who to involve in the process:	Input from Board and staff; one or two people write the draft(s).

* The words “mission,” “purpose,” and “mission statement” are not used consistently by people in either the nonprofit sector or the for profit sector. The authors of this workbook recommend the definitions used in this section. The point, however, is not to get hung up on the words, but to get clear on the different concepts involved—it doesn’t really matter what the concepts are called as long as there is agreement on the language, and that each of the concepts is addressed: what the organization seeks to achieve, what it does and what the fundamental beliefs are that guide the organization’s work.



(ASO/USA EXAMPLE)

WORKSHEET 8 • MISSION STATEMENT

DRAFT YOUR MISSION STATEMENT: DEFINE YOUR ORGANIZATION'S PURPOSE, BUSINESS AND VALUES.

Define your organization's PURPOSE. Why does your organization exist? Make sure you indicate outcomes and results (e.g., to eliminate homelessness), not the methods of achieving those results (e.g., by constructing houses)

The purpose of our organization is to

- Increase the quality of life for people with HIV
- Prevent the spread of HIV in our communities (How do we put this into our purpose statement???)

BUSINESS: How will you achieve your purpose? What primary activity are you going to do to accomplish your purpose?

Our primary activity is/our primary activities are

- prevention education services
- psycho-social support to people with HIV disease and those who are HIV negative
- public policy advocacy

VALUES: What are the beliefs which your organization's members hold in common and endeavor to put into practice?

Our values include

- self-empowerment
- the value of human life
- services for people of color need to be informed by the experience of people of color—through culturally sensitive and linguistically appropriate services
- the value of diversity, equal rights and non-discrimination
- we can have an important impact on this problem
- cooperation is crucial — we need to work together

OUR MISSION STATEMENT: Who we are, what we do, and why we do it (the synthesis of purpose, business and values — a compelling statement):

AIDS Services Organization/USA (ASO/USA) is dedicated to reducing the impact of HIV in communities of color. We do this by providing services to improve the quality of life for people with HIV, advocating for responsible public policies and striving to prevent the spread of HIV in our communities. We believe that AIDS education programs and services to people with AIDS must be culturally sensitive and linguistically appropriate to communities of color. We believe that AIDS education programs and services to people with AIDS must be culturally sensitive and linguistically appropriate to communities of color. ASO, USA is committed to the value of indigenous leadership, the value of all human life and the possibility of success in achieving our mission.

Vision Statement

A vision is a *guiding image of success*. If a mission statement provides a “blueprint” for an organization’s work—the what, why, and how of what it does—then the vision is the “artist’s rendering” of the realization of that mission. While a mission statement answers the questions about why the organization exists, what business is it in, and what values guide it, a vision statement answers the question, “What will success *look like*?” It is the pursuit of this shared image of success that inspires and motivates people to work together.

Martin Luther King, Jr. said “I have a dream,” and then offered a vision that changed a nation. That famous speech is a dramatic example of the power that can be generated by a person who communicates a compelling vision of the future. And John F. Kennedy did not live to see his vision for NASA come to fruition, but he set it in motion

when he said, “By the end of the decade, we will put a man on the moon.” When it came time to appropriate the enormous funds necessary to accomplish this vision, Congress did not hesitate. Why? Because this vision spoke powerfully to values the American people held dear: America as a pioneer and America as world leader.

An organizational vision statement might not put a man on the moon, but it should be compelling in the same way that Kennedy’s and King’s visions were: in short, *it should challenge and inspire the group to stretch its capabilities and achieve its mission*. The statement will often convey both an external and an internal vision for the organization. The external vision is an image that informs program strategies and goals; it focuses on how the world would be improved, changed, or different if the organization achieved its purpose. For example,

The people of Brownsville, Texas will solve their disputes without resorting to violence. (Martha’s Women’s Shelter)

By the year 2000 we will reduce the transmission of HIV among the people of our county to zero. (County HIV Prevention Council)

The internal vision informs an organization’s management or organizational strategies and goals; it describes what the organization would look like if it was operating effectively and efficiently—the ideal image or reputation, funding, partnerships, use of technology, board, staff, and facilities, as well as major past accomplishments and what makes the organization unique. For example:

We will have a 100,000 square foot gallery that has all the great neon artworks of the 20th century on display. (Museum of Neon Art).

We will achieve a diversified funding base which will adequately support all of our programs. (every nonprofit organization the authors have ever worked with.)

Drafting a Vision Statement

Like the mission statement, drafting a vision statement begins with intuition and ideas, evolves through discussion, and results in a shared sense of direction and motivation. Again, the Planning Committee most fully engages in the process and should designate one or two members to actually write the statement, but certainly board and staff should be involved in initial brainstorming and some subsequent discussion and review. As with any such process, differing ideas don't have to be a problem: people can spur each other on to more daring and valuable ideas—dreams of changing the world that they are willing to work hard for.

In the end, it is the nonprofits who do have such a vision, and whose staff and board actively participate in pursuing that vision, that are able to make powerful contributions to their communities. There is one uni-

versal rule of planning: you will never be greater than the vision that guides you. No Olympic athlete ever got to the Olympics by mistake; a compelling vision of his or her stellar performance helped surmount all the sweat and frustrations for many years. Without that powerful, attractive, valuable vision, why bother?

(ASO/USA Example)

WORKSHEET 9 • VISION STATEMENT

DRAFT YOUR VISION STATEMENT: WHAT IS YOUR ORGANIZATION'S GUIDING IMAGE OF SUCCESS?

EXTERNAL VISION:

Describe how the world would be improved, changed or different if your organization was successful in achieving its purpose?

Our prevention activities will lead to zero transmission of HIV in Yourtown, USA. All people currently living with HIV will get the services they need to live lives that are as healthy and comfortable as possible. Government on a local, city, state, and federal level is sensitive and actively supportive of people living with HIV or AIDS. We would like to provide a continuum of service to people affected by and infected with HIV.

INTERNAL VISION:

What would your organization look like if it was running effectively and efficiently. Describe your ideal organization in terms of: image/reputation; funding; partnerships; use of technology; board; staff; facilities. What makes your organization unique?

We are looked to as a model of effectiveness and efficiency (especially our financial management systems) in our region. Our facilities are welcoming to our clients and a good place for our well-paid staff to work. Our board is actively engaged in helping to lead our organization, and our community advisory board makes a major contribution to supporting our organization. Our contributed income (non-governmental) has increased significantly. Our uniqueness lies in our taking the leadership role in forging partnerships with other ASOs and other health care organizations.

VISION STATEMENT — PROCESS NOTES

How to do this activity:

Visioning is a powerful activity to do at a meeting of board and staff. Distribute Worksheet 9 to participants and ask them to prepare for the discussion by describing their external and internal vision of success (this worksheet should ideally be distributed ahead of time.) If the number of participants at the meeting is small, have people read their visions, and record key ideas on butcher paper (both where there is agreement and where there is disagreement); if a large group, break into smaller groups and work as teams.



Why do this activity:	An inspiring, shared image of success will galvanize the efforts of your organization's staff and board.
Who to involve in the process:	Planning Committee and selected others (some or all of board and staff).

Step 3 Situation Assessment

Strategic planning must include an assessment of the organization's environment, because no organization operates in a vacuum. The very definition of strategic planning offered earlier stresses the importance of focusing on the future within the context of an ever-changing environment—the myriad political, economic, social, technological, demographic, and legal forces that change our world daily. Skill at assessing the environment and then being proactive in responding to that environment—in other words, strategic planning, thinking, and management—determines who survives and is effective in using their resources.

Step 3, the “situation assessment,” outlines the process of gathering and analyzing the information needed to make such an explicit evaluation of an organization in its environment. The situation assessment includes the following activities:

- collecting internal and external stakeholders' perceptions about the organization;
- evaluating programs' impact on clients;
- evaluating programs through a cost/benefit analysis;
- analyzing programs through a competitive analysis; and
- defining previous implied strategies.

(Note: At this point, refer back to the information needs identified in Worksheet 6. This information — such as trends in the environment, list of competitors, client statistics, financial trends, etc. will be needed to conduct the Situation Assessment.

At the conclusion of a situation analysis, the Planning Committee will have a “data base” of concrete information that can be used to make decisions and a list of critical issues which demand a response from the organization—the most important issues the organization needs to deal with.

Gathering Perceptions about the Organization

Part of getting a clear view of the environment and dynamics of an organization is to look through others' eyes; both internal and external stakeholders' perceptions of the organization will add valuable information to the situation assessment. The SWOT approach, a simple and effective vehicle for collecting this information, helps focus the process by breaking it down into four broad categories:

- | | |
|----------------|--|
| S | What are the organization's internal S trengths? |
| S W | What are the organization's internal W eaknesses? |
| S W O | What external O pportunities might move the organization forward? |
| S W O T | What external T hreats might hold the organization back? |

Evaluating an organization's general strengths and weaknesses, as well as the strengths and weaknesses specific to each of its programs, typically includes assessments of staff and board capabilities and numbers, quality of programs, reputation of programs and organization, management information and financial systems, office facilities and equipment, and so on. Successful organizations are those that exploit strengths rather than just focus on weaknesses—in other words, this process isn't just about “fixing” the things that are “wrong,” but also nurturing what goes “right.”

The same should apply to how an organization approaches its opportunities and threats—the external trends that influence the organization. These are usually categorized into Political, Economic, Social, Technological, Demographic and Legal (PESTDL) forces, which would encompass circumstances such as changing client needs, increased competition, changing regulations, and so on. These forces can either help an organization move forward (opportunities) or hold the organization back (threats)—but opportunities that are ignored can become threats, and threats that are dealt with appropriately can be turned into opportunities.

Gathering Board and Staff Perceptions of the Organization

Since SWOT analysis is a primary means of receiving input from a broad and representative constituency, it is important to include as many staff and board (your internal stakeholders) as possible in this process. Their ideas and opinions might be collected through questionnaires, telephone or in-person interviews, facilitated organization-wide or small-group meetings, or a combination of these methods; some organizations have board and staff in the same meeting to discuss these ideas, while others have them meet separately. One way to do this is to brainstorm ideas on flipcharts.



After the lists of strengths, weaknesses, opportunities, and threats have been recorded, the listed ideas can be grouped into logical topic or issue groups to make the data easier to present and analyze. For example all the ideas related to staffing or program development should be grouped together.

STAFF AND BOARD PERCEPTIONS — PROCESS NOTES

How to do this activity:	Brainstorm and record on flipcharts a list of SWOTs. This activity normally would take place at meeting(s) of staff and board; staff and board may meet separately or together (such as at a planning retreat). An alternative is to distribute Worksheet 10 to staff and board and collate completed results. Gather lists of "SWOTs," sort into categories, select most important, and summarize results.
Why do this activity:	Individuals' perceptions provide starting framework for perceiving the organization's current situation. One of the key aspects of strategic planning and management is being proactive—making decisions that take advantage of strengths and opportunities, overcome weaknesses, and try to turn threats into opportunities.
Who to involve in the process:	Board and staff; extent and format of involvement to be decided by Planning Committee.

WORKSHEET 10 • STAFF & BOARD PERCEPTIONS

IDENTIFY YOUR STAFF & BOARD (INTERNAL STAKEHOLDERS) PERCEPTIONS OF THE ORGANIZATION'S STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

STRENGTHS

Funding solid for 1994

client feedback has been positive

knowledgeable and experienced outreach staff & volunteers

strong programs: outreach and counseling

good working relations with city politicians

WEAKNESSES

financial systems

service documentation

too dependent on govt. \$

board of directors is inactive

lack of long range strategy

staff feeling overwhelmed

OPPORTUNITIES

need for case management services

\$ available for collaboratives

stigma associated with AIDS lessening; opportunity for support from community at large because community realizing that AIDS affects everyone

church interest in supporting us

THREATS

managed care will require new relationships with other providers

increased documentation requirements by funders

"competition" from another AIDS organizations

rising number of HIV(+) women & children & few services for them

new director of public health - unknown

increasing number of HIV(+) people — unfortunately

Gathering External Stakeholders' Perceptions

Just as the above SWOT assessment allows an organization to garner a wide variety of perceptions from internal stakeholders, a SWOT of those outside the organization can also add a great deal to the situation assessment. External stakeholders (such as clients, funders, community leaders, and potential collaborators) can give the Planning Committee insight into community opinions of what the organization does well, where it can improve, unmet community needs it might address, and other opportunities or potential threats. Again, this information might be gathered through telephone or in-person interviews, questionnaires and client surveys*, or focus groups; in addition to their general perceptions of the organization's strengths, weaknesses, opportunities, and threats, external stakeholders might also be asked some questions specific to their "outsider" perspective:

- What does the stakeholder say about the organization's strengths and weaknesses? What opportunities and threats does the organization face?
- What does the stakeholder need or expect (criteria for performance) from the organization?
- How well does the organization perform against those criteria (excellent, good, fair, or poor), Why such a rating?
- How well does the organization perform relative to its "competitors?"

EXTERNAL STAKEHOLDERS' PERCEPTIONS — PROCESS NOTES

How to do this activity:	Gather information directly from stakeholders. All interviews and/or surveys should be completed before discussion of strategies, goals and objectives.
Why do this activity:	To incorporate "outside" perspectives into an understanding of current situation. To make explicit the expectations and needs of various stakeholders, so that the organization can decide whether and how to meet them.
Who to involve in the process:	Key external stakeholders.

* see Chapter III for Sample Client Survey

WORKSHEET 11 • EXTERNAL STAKEHOLDERS' PERCEPTIONS

WHAT ARE THE KEY EXTERNAL STAKEHOLDERS' PERCEPTIONS OF THE ORGANIZATION?

Stakeholder	What are the organization's strengths and weaknesses? What opportunities and threats does the organization face?	What does the stakeholder need or expect (criteria for performance) from the organization? How well does the organization perform against those criteria (excellent, good, fair, or poor). Why such a rating? How well does your organization perform relative to its competitors?
XYZ Foundation	Strength = needed service Strength = respect Executive Director Weakness = not happy with financial reports Opportunity = work together with other ASOs and health providers Opportunity = get financial systems technical assistance from Support Center or other management support organization Threat = increased competition for charitable \$\$ Threat = ignorance about AIDS by community	-expect ASO to deliver on proposals (results) — hear good things in community, but ability to document results has been only fair. -expect ASO to be well managed — fair, not adequate reports, especially reports. -expect ASO to look for new funding source — fair-poor -re competitors: would be inappropriate to comment specifically. Concerned about limited resources and unnecessary duplication of services; wants more coordination.
Community Leader Joe Schmo	S = only organization of its kinds S = good reputation for services W = not high enough public profile/not well known W = not offer help to families, lovers and friends. O = there must be more government \$ available T = increase of HIV in our community T = City health department major cutbacks T = not accessible HIV testing in community	-expect to be given input into planning process — fair in past, currently better. -expect ASO to forge relationships with other providers in community — good. -expect ASO to continue leadership role — good. -re competitors: don't know of competitors (said: "There shouldn't be any competition: money is too tight to have competition.")
Past Clients (focus group)	S = caring, nonjudgemental staff S = help in navigating through the system W = have to wait too long for some direct services W = found out about ASO/USA from word of mouth W = ASO/USA staff seem really overwhelmed W = we don't do HIV testing and support for loved ones. O = do more case management T = fear that city is going to cutback on services	-need availability of services — generally feel it is good. -ASO staff is caring providers (compassion, respectful) — excellent -culturally specific help — excellent. -women-specific assistance — fair. -housing — poor. -re competitors: have generally gotten good help from ZYX Group.; not very responsive staff at XYZ AIDS Services. Frustration that everyone has different intake procedures.

Adapted from: Strategic Planning for Public and Nonprofit Organizations, by John M. Bryson (San Francisco: Jossey-Bass Publishers, 1988)

Evaluation of Programs

A key component of an organization's situation assessment is the evaluation of its programs' effectiveness and efficiency, which will inform decisions about whether to continue or discontinue each program, maintain it at its existing level, expand or change its direction, market it aggressively, and so on. Most program evaluations focus on both *outcome* (results) and *process* (methods.) Outcome evaluation looks at whether a project achieved its planned results; process evaluation looks at internal project management, both staff performance and the extent to which the project is successfully implemented.

The program evaluations can be based on quantitative and/or qualitative data. Quantitative data consists of fact-based information such as a review of records, descriptive statistics, and the like; it is more easily collected and less easily disputed because it translates experience into quantifiable data that can be counted, compared, measured, and manipulated statistically. Qualitative data consists of what people "say" about the programs, based on interviews, focus groups or other meetings, direct or field observation, reviews of written materials, informal feedback, satisfaction surveys, and questionnaires.*

Program Outcome Studies

Having gained some idea of the resources required to operate a program, an organization can also more generally assess the program's impact on clients, using the following considerations. The key measures of effectiveness, outcomes and impact are the most difficult to measure but are important to keep in mind.

- *inputs*—the resources that are required to operate the program;
- *throughputs*—how the program is operated;
- *outputs*—the immediate, observable results of the program;
- *outcomes*—how the program affects the client's life or society; and
- *impact*—the program's benefit to the client or society.

Cost/Benefit Analysis of Program Services

One approach to evaluating organization programs is a cost/benefit analysis. As the name indicates, this entails comparing the costs of providing a service or product with the *benefit* to be gained by asking a number of important questions:

*Note: An extensive body of literature and methodology exists regarding program evaluation. The analysis suggested here is greatly abbreviated. Ideally an organization would conduct thorough program evaluation studies on a regular basis. Even without such studies, though, important information can be gained from the type of analysis suggested here.

- What are the projected costs (direct and indirect) of the program?
- What are the revenue benefits to be gained?
- What are the direct service benefits?
- What would it cost to purchase the service benefits on the open market?
- What intangible benefits are gained by either the organization or the client?
- What assumptions, risks, organizational capabilities, alternative methods, foreseeable changes, and other considerations, etc., need to be taken into account?

Unfortunately, doing a cost/benefit analysis on a particular service often proves difficult for nonprofits. Unlike the for-profit sector, which uses the measurement of profit gained for owners and stakeholders as its primary benchmarks for “benefits,” nonprofits do not usually have an explicit indicator of benefits. Moreover, there may not be comparable services or products with clearly defined prices available on the open market. Finally, some benefits may be difficult to quantify because they are intangible, or literally unmeasurable. How, for example, could an organization measure the “benefit” gained by providing one woman and her child shelter and support for two weeks? Yes, the cost of temporary housing could be calculated (assuming such alternatives were available), but that would not begin to measure the intangible value.

If an organization offers a service for which no comparable alternative exists, or, if the organization cannot define what the cost would be to society if the service were not provided, a cost/benefit analysis will be difficult to do. If, however, similar products or services exist whose benefits can be readily measured, then an organization can calculate and compare its costs and benefits to those of the “competing product.” In any case, cost/benefit analysis should not be used as the sole criteria for accepting or rejecting a project or even measuring success, but it can prove a helpful tool when it comes time to make difficult choices about how to use scarce resources.

PROGRAM EVALUATION — PROCESS NOTES

How to do this activity:	<p>Program Outcome Studies: decide whether staff member or outside (impartial) evaluator is going to complete Worksheet 12a Program Outcome Study. Answer questions for all existing programs.</p> <p>Cost/Benefit Analysis: have program managers fill out Worksheet 12b Cost/Benefit Analysis for their respective programs. This worksheet can also be used to evaluate possible new programs. This activity should be done in preparation for selecting the scope and scale of your future programs (Step 4).</p>
Why do this activity:	<p>You need reliable information about the effectiveness and cost of your programs in order to question the status quo, think of new and different ways of doing things, and make sound decisions for the future.</p>
Who to involve in the process:	<p>Staff and/or outside evaluator.</p>

NOTE: A cost benefit analysis or a client impact analysis can be used to evaluate programs. For the sake of example, a cost benefit analysis is given. A blank worksheet using client impact analysis (12a) is provided in the back of the workbook.

Program Name School and business outreach

Program Objective: Increase awareness of AIDS and educate about safer sex.

TOTAL BENEFITS.

- | | |
|--|---|
| • Revenue Benefits | grant for \$28,000 |
| • Direct service benefits | at least 30 schools average 30 students classroom plus 15 businesses at 225 individuals per business = 4275 people |
| • Intangible benefits | reduce spread of AIDS; more informed public |
| • Comparable costs in the open marketplace | There are other groups that do this type of service, and their cost per training is less than the \$665 it costs us |
| • Comments: (assumptions, risks, other considerations, organizational capabilities, alternative methods; (foreseeable changes) | We will need to hire new education specialist if we continue this program; need to assess our competitive position vis a vis other groups doing this work (other groups offering training in schools); ability to fund contingent on getting renewed grant. |

Nonprofits have not traditionally been thought of as organizations that need to be competitively oriented. Unlike for-profit businesses, which compete for customers and whose very survival depends on providing services or products to satisfied, paying “clients,” most nonprofit organizations operate in a *nonmarket*, or *grants*, economy—one in which services are not commercially viable. In other words, the marketplace does not supply sufficient resources to support an adequate, ongoing provider base.

Consequently, nonprofit organizations have traditionally lacked an incentive to question the status quo, to assess whether clients needs were being met, or to examine the cost-effectiveness or quality of available services. The competitive environment has changed, however: funders and clients alike are beginning to demand more accountability; “sole-sourced” nonprofits are finding that their very success is encouraging others to enter the field and compete for grants; and grant money and contributions are getting harder to come by, even as need and demand increase. This last trend—increasing demand for a smaller pool of resources, requires today’s nonprofits to rethink how they do business, to compete where appropriate, to avoid duplicating existing comparable services, and to increase collaboration when possible.

The MacMillan Matrix* is an extraordinarily valuable tool that was specifically designed to help nonprofits assess their programs in the light of scarce resources. The matrix is based on the assumption that duplication of existing comparable services (unnecessary competition) among nonprofit organizations can fragment the limited resources available, leaving all providers too weak to increase the quality and cost-effectiveness of client services. The matrix also assumes that trying to be all things to all people can result in mediocre or low-quality service; instead, nonprofits should focus on delivering higher-quality service in a more focused (and perhaps limited) way. The matrix therefore helps organizations think about some very pragmatic questions:

- Are we the best organization to provide this service?
- Is competition good for our clients?
- Are we spreading ourselves too thin, without the capacity to sustain ourselves?
- Should we work cooperatively with another organization to provide services?

Using the MacMillan Matrix is a fairly straightforward process of assessing each current (or prospective) program according to four criteria, described below.

Fit: the degree to which a program “belongs” or fits within an organization. Criteria for “good fit” include:

- congruence with the purpose and mission of the organization
- ability to draw on existing skills in the organization
- ability to share resources and coordinate activities with other programs

Program Attractiveness: the degree to which a program is attractive to the organization, from an economic perspective, as an investment of current and future resources—which primarily has to do with whether the program easily *attracts* resources. Any program that does not have high congruence with the organization’s purpose should be classified as unattractive. *No* program should be classified as highly attractive unless it is ranked as attractive on a substantial majority of the criteria below:

- high appeal to groups capable of providing current and future support
- stable funding
- market demand from a large client base
- appeal to volunteers
- measurable, reportable, program results
- able to discontinue with relative ease, if necessary (low exit barriers)

Alternative Coverage: the extent to which similar services are provided—if there are no other large, or very few small, comparable programs being provided in the same region, the program is classified as “low coverage.” Otherwise, the coverage is “high.”

Competitive Position: the degree to which the organization has a stronger capability and potential to deliver the program than other such agencies—a combination of the organization’s effectiveness, quality, credibility, and market share/dominance. Probably *no* program should be classified as being in a strong competitive position unless it has some clear basis for declaring superiority over *all* competitors in that program category. Criteria for a “strong” competitive position include:

- good location and logistical delivery system
- large reservoir of client, community, or support group loyalty
- past success securing funding; strong potential to raise funds for this program
- superior “track record” (or image) of service delivery
- large “market share” or the target clientele currently served
- better-quality service and/or service delivery than competitors
- superior organizational, management and technical skills needed for the program
- most cost-effective delivery of service

After each program is assessed in relation to the above four criteria, all programs are placed in the following matrix (for example, a program that is a good fit, is deemed attractive and strong competitively, but for which there is high alternative coverage, would be placed in cell #5).

* adapted from: I.C. MacMillan’s “Competitive Strategies for Not-for-Profit Agencies” in *Advances in Strategic Management*, Volume 1, pp. 61-82, JAI Press Inc., 1983.

Once all programs have been placed in the appropriate positions on the matrix, an organization can review its "mix" of programs, sometimes called a "program portfolio," and decide if any adjustments need to be made. Ideally, an organization would have only two types of programs. The first would be "attractive" programs (programs that attract resources easily), in areas that the organization performs well and can compete aggressively for a dominant position. These programs would be used to support the second program type, which falls under cell #6—"soul of the agency"—a program "unattractive" to funders, with low alternative coverage, but which makes a special, unique contribution and in which the organization is particularly well-qualified. These programs are known as the "soul of the agency," because the organization is committed to delivering the program even at the cost of subsidizing it from other programs internally. An organization cannot afford to fund unlimited "souls," and it might have to face some difficult decisions about how to develop a mix of programs that ensure viability as well as high-quality service to clients.

The MacMillan Matrix

		High Program Attractiveness:	"Easy" Program	Low Program Attractiveness:	"Difficult" Program
		Alternative Coverage: H I G H	Alternative Coverage: L O W	Alternative Coverage: H I G H	Alternative Coverage: L O W
G O O D	Strong Competitive Position	1. Aggressive Competition	2. Aggressive Growth	5. Build up the best competitor	6. "Soul of the Agency"
	Weak Competitive Position	3. Aggressive Divestment	4. Build Strength or Get Out	7. Orderly Divestment	8. "Foreign Aid" or Joint Venture
P O O R F I T		9. Aggressive Divestment		10. Orderly Divestment	

For example, five years ago there was little funding for case management by AIDS Service Organizations. Unwilling to let clients fend for themselves in getting the help they needed, many organizations devoted staff time to this service. At the time this was a "soul of the agency" program service. These days, this program is more attractive (i.e. fundable) though there is also growing alternative coverage. Therefore organizations in a strong position to serve the clients well, with cultural competence and program expertise, should aggressively compete: those in a weak competitive position should get out of the business.

COMPETITIVE ANALYSIS — PROCESS NOTES

How to do this activity:	Take the list of all your programs (identified in organization profile) and add any new program ideas. Assess each program according to the four dimensions in the matrix. Place each program in the appropriate box in the matrix on Worksheet 13.
Why do this activity:	Helps focus resources where they are most needed, and discourages unnecessary duplication of services.
Who to involve in the process:	Planning Committee, or delegate to staff.

(ASO/USM EXAMPLE)

WORKSHEET 13 • COMPETITIVE ANALYSIS

USE THE MACMILLAN MATRIX TO ASSESS YOUR CURRENT AND POSSIBLE NEW PROGRAMS

✓ = current program
⇒ = possible new program

Place All Your Programs In The MacMillan Matrix*

		High Program Attractiveness "Easy" Program		Low Program Attractiveness "Difficult" Program	
		Alternative Coverage		Alternative Coverage	
		HIGH	LOW	HIGH	LOW
GOOD FIT	STRONG COMPETITIVE POSITION	1. Aggressive Competition ✓ culturally specific education brochures ⇒ case management (if can get adequate funding)	2. Aggressive Growth ✓ street outreach ✓ bar outreach ✓ on-going support groups (HIV- men; HIV+ men) ✓ drop-in groups ✓ peer counseling and referral	5. Build up the Best Competitor ⇒ case management (if can not get adequate funding) ✓ school & business presentations	6. Soul of the Agency ✓ advocacy/public policy work ⇒ needle exchange
	WEAK COMPETITIVE POSITION	3. Aggressive Divestment ⇒ services for people outside of the city	4. Build Strength or Get Out ⇒ prevention services targeted for women ⇒ support groups for loved ones ⇒ Support groups for HIV+ women	7. Orderly Divestment ⇒ substance abuse assessment & support groups	8. "Foreign Aid" or Joint Venture ⇒ full range of services for women
POOR FIT		9. Aggressive Divestment ⇒ employment placement program ⇒ provide housing ⇒ medical services including HIV testing		10. Orderly Divestment	

* Adapted from "Competitive Strategies for Not-for-Profit Agencies" by I.C. MacMillan, Advances in Strategic Management, (JAI Press, 1983)

Articulating Previous and Current Strategies

All organizations make strategic choices, although often these have neither been recognized nor articulated as actual strategies. Once an organization is in the process of *strategic* planning, however, it is important to make explicit these unspoken strategies and incorporate them into this deliberate consideration of the organization's future directions. This should happen as part of the situation assessment: look for past patterns of operation or allocation of resources—these are your previous strategies; analyze whether those strategies were effective, and why; and consider whether or not they should be held as strategies for the future.

PREVIOUS STRATEGIES — PROCESS NOTES

How to do this activity:	Review history of organization and, using Worksheet 14, articulate previous and current strategies. Discuss effectiveness and implications for future.
Why do this activity:	Understanding how your organization focused its resources in the past is critical to learning from your experience and setting future strategies.
Who to involve in the process:	Planning Committee.


Identification of Critical Issues

Upon completion of the situation assessment, a Planning Committee should be in a position to identify all of the critical issues, or fundamental problems or choices, facing the organization—and then start to address those issues and identify priorities. A first attempt will probably result in a very long list of “critical” issues. Some might indeed be critical, but require no action at present and should be monitored; some will require immediate attention, and as such should be dealt with accordingly; and some will be of critical importance to the *long-term* viability and success of the organization. Those are the issues (usually no more than 6–8 so qualify, sometimes as few as 2 or 3) that become the framework for the decisions that must be made next: decisions regarding strategies, long-range goals and objectives, and financial requirements.

To arrive at this final list of true

critical issues, the Planning Committee should brainstorm a list of any issue that might qualify, and then assess each: Why is it an issue? What are the consequences of not responding for the near future to this issue? Why does the issue need immediate attention? Why is it a *critical* issue? Again, the final list should include no more than 6–8 items; beyond that, the organization is in danger of losing focus and sabotaging its own best intentions.

(ASO/USA Example)



WORKSHEET 14 • PREVIOUS & CURRENT STRATEGIES

IDENTIFY AND ASSES YOUR ORGANIZATION'S PREVIOUS AND CURRENT STRATEGIES

PREVIOUS STRATEGY	Was the strategy effective? Why or why not? Should it be considered as a strategy for the future.
Primarily volunteer organization.	Strategy was successful while we were small. While we need to increase number of volunteers, we need to rely more on paid staff.
Provide services only within city boundaries of Yourtown, USA	Yes. Limited resources (both time and \$) to meet needs in community. We should, at least, keep this strategy.
Services to men only	In the beginning this was effective. However, increasing number of women are using our service. We need to <u>consider</u> changing our strategy and provide services to women as well as men, or work with others to make sure services are provided.
Original focus of our program was on preventing spread of HIV. In past few years we have broadened our strategies to providing direct services and in doing so to increase the quality of life for people with HIV.	Need to continue to have an educational focus as well as direct service focus. While it is an important strategy for the future, concern with our ability to support and manage an organization with two such overwhelming purposes. However, our overall strategy needs to be toward a continuum of care.
Depend primarily on money from government sources.	This has been successful and we need to continue to depend primarily on government monies. But, we really need to broaden our funding base and not be so dependent on government money, and be able to use money to subsidize those needed services where there isn't gov't \$ available.

CRITICAL ISSUES — PROCESS NOTES

How to do this activity:	After you have completed assessing your organization's current situation and have collected the necessary data, brainstorm a list of all major issues facing your organization. Use the questions on Worksheet 15 to explain why each is an issue and to prioritize into the following categories: critical issue to be addressed as part of strategic planning process; requires immediate attention; requires no action at present, but must be monitored.
Why do this activity:	To develop consensus about the most important issues your organization needs to focus on in the strategic planning process.
Who to involve in the process:	Planning Committee; input should be sought from board and staff.

(ASO/USA EXAMPLE)

WORKSHEET 15 • CRITICAL ISSUES
LIST YOUR ORGANIZATION'S CRITICAL ISSUES

ISSUE	WHY IT IS AN ISSUE? What are the consequences of not responding?	PRIORITIZE 1) Critical issue to be addressed as part of strategic planning process 2) Requires immediate attention 3) Requires no action at present, but must be monitored
Problem of being so dependent on government monies	Some of our programs are not adequately funded by government money, and if we lose one major grant we are in trouble.	#1 long term
Major burnout of staff and not very involved board	Staff is working too many hours....If we don't try to come up with some short term solutions our current staff will leave. We also need to deal with some long term strategies for preventing burnout. Getting new and involved board is crucial for starting to broaden funding base, and must be addressed immediately.	#1 long term #2 short term
How to build our credibility in the community and with funders	A major funder has questioned our ability and effectiveness. Our financial systems are limiting our ability to produce timely financial reports, we don't really have the management information systems to document program outcomes. Without this documentation funders (both government and individuals) may stop supporting our efforts.	#1 & #2 both short term and long term priorities
What to do about meeting needs of women and growing demand for services outside our city boundaries?	We are beginning to serve women in a limited capacity, but need to have a clearer idea of how we are going to respond to the need. We are serving people from outside the city, should we expand? MacMillan Matrix suggests that we do not do this service ourselves. How can we use our expertise in prevention to serve larger population without overextending.	#1 - part of strategic planning process
How to respond to upcoming legislation around managed care?	Obviously this whole health care reform situation will have a major impact on PWAs. We need to monitor this legislation, and make sure groups such as NIMAC are continuing to represent us at a national level.	#3 = monitor

Finally, additional research may be needed, in order to gather specific information about new opportunities which can be pursued. This might include: description of new target markets and their needs; description of new products and/or services with descriptions of start-up costs, competitor analysis, long-term financial projections, and break-even analysis. If additional information is needed, the Planning Committee will need to decide whether to wait for the information or to move ahead and incorporate the information into the plan later.

Step 4 Developing Strategies, Goals, and Objectives

With its newly affirmed mission statement to guide it and its newly identified critical issues to address, an organization is ready to make decisions about strategies, goals, and objectives:

- a *strategy* is a coordinated, broad approach or direction adopted by an organization in response to a critical issue, so that the organization can achieve its mission;
- a *goal* is an outcome statement that guides a program or management function; and
- an *objective* is a precise, measurable, time-phased result that supports the achievement of a goal.

It is important to distinguish between the nature of strategies as opposed to goals and objectives. Simply put, strategies have to do with the approach taken—*methods*, while goals and objectives have to do with specific *results* to be achieved. For example, a critical issue commonly faced by nonprofits is the need for more funds: one broad strategy choice here is to raise more money (vs. cutting costs as a strategy); a specific goal might be to diversify funding sources so as to not be so dependent on government funds, with an objective being to increase the return on direct mail solicitations to prospective donors as a means of increasing donations by 25% over the next three years.

Strategies

The strategic planning process designates that an organization establish its strategies once it has “officially” gone through the previous steps of situation analysis, mission statement, critical issues, and so on. In reality, of course, the discussion of program and strategic choices began long before the planning process did, and continues long after the strategic plan has been adopted! Nonetheless, it is productive to “formally” discuss possible strategies at this stage because:

- the mission statement has laid out the organization’s purpose, thereby pointing the direction in which any strategy must ultimately lead;
- the external market data that has been collected and the results of the program evaluations inform the development of strategies, thereby ensuring that strategic choices do not run contrary to significant forces in the environment; and
- the critical issues list then provides a specific framework of needs to be addressed, thereby efficiently and appropriately focusing the consideration of specific strategies to be adopted.

While the prospect of reviewing all possible program and strategy options might seem overwhelming at first, it can prove fun and invigorating to really hash out the answers to “what will work best in *our* situation?” Planners have the opportunity to combine logical reasoning and intuitive “best guesses” in the process, which entails the following:

- discussing each critical issue that has been identified;
- determining how the organization’s strengths and weaknesses relate to its opportunities and threats, and how that interplay affects the critical issues;
- developing and evaluating the various possible strategic approaches to each critical issue; and
- narrowing down that array of options to arrive at the organization’s primary strategies.

Discuss Each Critical Issue

The organization’s critical issues may have been confidently identified in Step 3, but it is important to think through each issue at this point, using the following questions:

- What trends, changes, or other factors support the idea that this is a critical issue?
- Is this critical issue changing with time? In what ways? Why is it changing?
- What forces or causes contribute to this critical issue?
- What would it take to resolve this issue? What are the reasons for thinking that?

The point here is to take a moment to reflect on the subtleties of each issue before racing ahead to figure out what to do about it.

Determine the Interplay of Strengths, Weaknesses, Opportunities, and Threats

One aid to strategy development is the SWOT Grid.* The grid below can “make visible” some important dynamics that influence an organization’s strategic choices: the intersection of strengths, weaknesses, opportunities, and threats offers suggestions about action the organization needs to take.

	Opportunities	Threats
STRENGTHS	INVEST clear matches of strengths and opportunities lead to comparative advantage	DEFEND areas of threat matched by areas of strength indicate a need to mobilize resources either alone or with others
WEAKNESSES	DECIDE areas of opportunity matched by areas of weakness require a judgement call: invest or divest; collaborate	DAMAGE CONTROL areas of threat matched by areas of weakness indicate need for damage control

For example perhaps financial management has been identified as a critical issue. With respect to this issue, if a poor bookkeeping system has been identified as a weakness, and a funder’s demand for more detailed financial reporting has been identified as an environmental threat, then those two factors will intersect in the “damage control” cell. This might demonstrate that the organization needs to do short-term “damage control” by making sure the funder doesn’t get too upset.

Furthermore, if an opportunity for technical assistance funding has been identified, then the intersection of the bookkeeping weakness and the funding opportunity is in the “decide” cell. In this case it is likely that the organization would choose to “invest” in improving the bookkeeping systems, as an additional way to address the critical issue of financial management.

While these strategies may seem relatively obvious for this simple example, the grid offers two potential benefits. First, dimensions of the critical issue may be highlighted which otherwise might not surface. The Planning Committee might not have thought of the need for “damage control” on the bookkeeping system. Second, in discussing the interplay of the strengths and opportunities, weaknesses and threats, and so on, the Planning Committee may realize they have overlooked an important critical issue or aspect of a critical issue.

* The SWOT grid is a widely used approach. It is an adaptation of the Harvard Policy Model, attributed to Christensen, R., et. al., Business Policy: Text and Cases. Homewood, Ill.: Irwin, 1983, as cited in Bryson, J., Strategic Planning for Public and Nonprofit Organizations. San Francisco, CA: Jossey-Bass, 1988.

SWOT GRID — PROCESS NOTES

How to do this activity:

Write in the strengths, weaknesses, opportunities and threats outside the grid on Worksheet 16. Then discuss each critical issue noting how the interplay of each section in the grid might affect your plan.

Why do this activity:

too

Planning Committee members can initially review the grid by themselvesstimulate creative thinking. Planning Committee as a whole review grid and discuss possible strategies.

Who to involve in the process:

Planning Committee members.

Develop and Evaluate Various Possible Strategic Approaches to Each Critical Issue

In the course of the previous exercise, it is likely that suggestions for strategic responses began to emerge and perhaps were briefly discussed. That's just a start, however—at this point in the process it is very important to deliberately explore the strategic *choices* facing the organization. There are *always* options regarding what to do. Sometimes they are not obvious. Without a deliberate effort, an organization might simply seize upon the first strategy that presents itself, or use a tried-and-true strategy that has been used before, without *looking at new possibilities*—and that's no way to find the best, most creative, most effective strategies possible.

A rule of thumb is to develop at least *three* strategic options for each issue, including the “pros” and “cons” of each. If there's a real shortage of good ideas, one of these options could always be “do nothing,” but there should be at least two other options to debate.

The list below offers examples of general financial, program service, and fund-raising strategies that might result from a vigorous, thoughtful brainstorming session. Adapted from publications by Philip Kotler and Wolfgang Bielefeld*, these strategies are in “academic language.” The list is not intended to be either prescriptive or exhaustive—just a sampling of good ideas that conveys the range of possibilities available to an organization at this stage.

(ASO/USA EXAMPLE)

WORKSHEET 16 • SWOT GRID

LIST YOUR ORGANIZATION'S CRITICAL ISSUES

<p>STRENGTHS</p> <ul style="list-style-type: none"> - funding solid - 94 - positive client feedback - knowledgeable/experienced outreach staff - outreach and counseling—strong - good relations - local politicians 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> - need for case management - \$ available for collaborations - community understanding of magnitude of AIDS increasing - church interest in supporting us 	<p>THREATS</p> <ul style="list-style-type: none"> - managed care needs new relationships with new providers - increased documentation requirements - competition from other ASOs - rising number of HIV(+) women - new director of public health unknown - increased number HIV(+)
<p>WEAKNESSES</p> <ul style="list-style-type: none"> - financial systems - service documentation - too dependent on govt. - inactive board - lack of long range strategy - staff on overwhelm 	<p>INVEST</p> <ul style="list-style-type: none"> • seek city and non-governmental support for case management • develop demonstration project for ongoing support for HIV-at high risk 	<p>DEFEND/MOBILIZE RESOURCES EITHER ALONE OR WITH OTHER</p> <ul style="list-style-type: none"> • bring our outreach & counseling expertise to a collaboration that offers prevention groups for women
	<p>DECIDE: INVEST OR DIVEST; COLLABORATE</p> <ul style="list-style-type: none"> • use board to increase individual contributions, especially through church • use collaborations to increase some services rather than increasing staff load 	<p>DAMAGE CONTROL</p> <ul style="list-style-type: none"> • get our financial and documentation/management information systems in order • identify possible collaborators for womens' services & HIV testing



Financial Strategies

- *Surplus Maximization*: Increase the surplus of resources in order to accumulate resources for expansion or growth.
- *Revenue Maximization*: Aim to generate the highest possible revenues, perhaps in an effort to establish a reputation or critical mass.
- *Full Cost Recovery*: Manage programs and services in order to break even financially, providing as much service as finances will allow. Many nonprofits adopt this strategy in an effort to provide services without entering fiscal crisis.
- *Partial Cost Recovery*: Operate with a chronic deficit every year, providing services that are critical and cannot be provided at a break-even level of costs (e.g., mass transit or the post office). These organizations rely on public and private foundations, individuals, and governments to cover the annual deficit.

Program Service Strategies

- *Usage Maximization*: Work to serve the highest number of users of services. This strategy can be used in positioning the organization or program for funding or budgetary purposes.
- *Usage Targeting*: Provide services in a manner that encourages serving a specific number or type of constituents. This strategy is used to address unmet needs of specific populations or to cover the costs associated with providing services.
- *Producer Satisfaction Maximization*: Operate toward the goal of satisfying the personal or professional needs of a founder, staff, or board of directors rather than the established needs of external clients and customers.

Fund-Raising Strategies

- *Fees for Service*: Provide services to clients for a fee. The fee is typically below market rates and does not cover the full cost of providing the services.
- *New Revenue*: Direct marketing-type activities are designed to generate new sources of revenue from specific potential funders. For example, assess community needs, conduct market studies, start new programs or services, change the way existing services are provided, etc.
- *Legitimation*: To protect current funding, demonstrate to important audiences, including funders, that the organization is conforming to existing norms and standards. For example, make services look more relevant, seek endorsements from prominent people, engage in lobbying, and the like.
- *Retrenchment*: To respond to reduced funding, reduce internal costs to reduce impact of decrease in funding. Increase staff work load, make use of volunteers, reduce administrative support staff, institute salary freezes, etc.

Select the Primary Strategies

Having listed the array of possibilities, as well as their pros and cons, the Planning Committee is now ready to move on to the “nitty-gritty” of choosing the primary strategy for each critical issue. These are major decisions, and the committee should be sure to get the buy-in of those who will be called upon to *implement* the strategies. To get buy-in, the Executive Director can discuss proposed strategies with appropriate staff or board members and address concerns or new input.

* Bielefeld, Wolfgang, Funding Uncertainty and Nonprofit Strategies in the 1980s. *Nonprofit Management & Leadership*, vol. 2, no. 4, Summer 1992. Jossey-Bass Publishers.

* Kotler, Philip and Alan Andreasen, *Strategic Marketing for Nonprofit Organizations*, Fourth Edition. Englewood Cliffs, NJ: Prentice Hall, 1991.

PRIMARY STRATEGIES — PROCESS NOTES

How to do this activity:	The Planning Committee needs to do two things at this point. First, look at the pros and cons of possible strategic approaches and select those that make most sense to the Committee. Second, discuss how to involve other key board or staff members in order to insure “buy-in” from those who will be implementing the strategies.
Why do this activity:	After all this thinking and brainstorming, its time to make this set of decisions!
Who to involve in the process:	Planning Committee members and selected others.

Goals and Objectives

As with strategies, the discussion of goals and objectives will occur throughout the planning process—but the conclusion of this discussion signals the conclusion of the whole strategic planning process! Typically, this is the easiest part of strategic planning because most of the big decisions have been made and the big picture should have become relatively clear. The organization knows what problems it needs to address, what services it will provide to address the problems, the critical issues that will affect its ability to deliver those services, and its strategies for responding to those critical issues. It is time to develop concrete measures of “how much” of the problem the organization will try to solve and “by when;” this is the most concrete aspect of the strategic planning process, and also the aspect that most people have experience with, so the priorities that have been identified in the planning process usually will easily translate into goals.

Nonetheless, the drafts of goals and objectives might go through two or three versions before everyone's feedback has been incorporated and a final document is agreed upon. The Planning Committee should not short-change this process: often in the course of these discussions, important questions arise and insights emerge which substantially improve the quality and viability of the entire strategic plan.

(ASO/USA EXAMPLE)

WORKSHEET 17 • PRIMARY STRATEGIES

IDENTIFY YOUR PRIMARY STRATEGIES

PRIMARY STRATEGY
REASONS FOR SELECTING THIS AS A PRIMARY STRATEGY

1. To deal with the critical issue of dependence on government money: => **expand independent fundraising base** by initiating a direct mail campaign and pursuing independent funding from selected foundations, local churches and individuals.
2. To deal with the critical issue of credibility with major funders (poor financial management systems and program documentation): => **invest in our management infrastructure** (including, new financial management systems, program record keeping and training for staff).
3. To deal with the critical issue of burnout of staff: => **recognize the shift from all-volunteer organization to one that is supported by both paid and volunteer staff:** invest in volunteer management, including the addition of a paid volunteer coordinator.
4. To deal with the critical issue of growing demand for services among women and children and growing demand for our services outside our city boundaries: => **retain our city-wide, not regional, service delivery strategy => collaborate with other providers to ensure that all individuals of color within our geographic area have easy access to culturally sensitive and linguistically appropriate services.**
5. To respond to the ongoing but different needs of people who have recently seroconverted as well as those who are HIV-, in order to make sure that neither group fall through the cracks: => **provide a continuum of care to clients so that support services remain consistent.**

Program Goals and Management Goals

Goals are outcome statements that guide the organization's programs and management functions. For the organization as a whole, for example, the primary "goal" is the purpose spelled out in the mission statement; similarly, the organizations' programs, program groups, and management functions need to be guided by their own "mini-purposes," that is, their own goals.

A good place to start is with a review of the Organizational Profile developed earlier, which identified programs and relevant program groupings. The planning process thus far may have generated information or decisions that warrant taking another look at, and perhaps modifying, certain aspects of the profile—for example, altering some programs, grouping them differently, or adding a new program. If so, the Planning Committee must draft a new outline of the program portion of the organization profile.

Once that has been considered, a goal statement must then be drafted for each program and program group. A program group is an umbrella or collection of related programs. For example, if a new program, Case Management, is added to the Direct Services program group, the program goal for Case Management might be "to coordinate the delivery of direct services to our clients"; whereas the goal for the Direct Services program group might be more global "to provide services which improve the quality of life for people living with HIV."

After program goals have been identified, the Planning Committee should turn its attention to the management functions (internal management activities) required to support the programs, such as:

- Resource Development
- Personnel (paid and volunteer staff)
- Facilities and Equipment/Technology
- Marketing and Public Relations
- Board of Directors
- Planning and Evaluation
- Financial and Administrative Systems

Just like the programs and program groups, each management function is a focus of activity that should have its own goal statement to guide it. For example, a goal statement for Personnel could be:

To attract and retain qualified, competent staff, volunteers and interns to carry out the goals of XYZ organization, and to manage its projects and programs efficiently. XYZ anticipates a staff of 13 full-time employees in the next three to five years to fully staff the program and its projects as outlined in the organizational chart attached to this plan.

GOAL SETTING — PROCESS NOTES

How to do this activity:

To develop goals: For each program group, individual program and management function, identify and write down the broad result(s) to be accomplished during the period of the strategic plan. Use Worksheet 18, Part 1 to record these goals.

To develop objectives: After you have completed Worksheet 19 — Program Portfolio, return to this Worksheet and complete Part 2: writing program and management objectives.

Why do this activity:

To define specific milestones that will guide the organization.

Who to involve in the process:

Planning Committee members.

WORKSHEET 18 • SETTING GOALS & OBJECTIVES (Part 1 & Part 2)

WRITE DOWN YOUR PROGRAM AND MANAGEMENT GOALS AND OBJECTIVES

PROGRAM AND MANAGEMENT GOALS (Worksheet 18 - Part 1)	PROGRAM AND MANAGEMENT OBJECTIVES (to be filled in after completing Worksheet 19 —Program Portfolio Selection) (Worksheet 18 - Part 2) Within the next three years:
<p>Program Goals: (Support Services, continued)</p> <p>Support Groups: Ensure that client population receives culturally sensitive psycho-social help that supports their well-being</p> <p>Support Groups for HIV- men and women: Recognize importance of mental well-being and impact of social pressure on safer sex practices.</p> <p>Support Groups for HIV+ men, HIV+ women and their loved ones: Offer a safe environment for mutual support, information exchange and positive options for living with HIV</p> <p>Management Goals: Fundraising: To acquire a stable, broad base of financial and nonfinancial resources to support our programs.</p>	<p>Prevention Support Groups for Men: Offer 3 ongoing support groups for HIV-men at high risk. Prevention Support Groups for Women: Offer 2 ongoing support group for HIV-women at high risk.</p> <p>Support Groups for Men who have recently tested positive for HIV. Offer at least 3 ongoing support groups for HIV+ men. Support Groups for Men who have recently tested positive for HIV. Offer at least 2 drop-in support groups for HIV+ men. Support Groups for families, friends, and other loved ones: Develop and offer at least 3 drop-in or on-going groups for loved ones.</p> <p>At least one third of ASO/USA's annual operating budget will be raised through private sector philanthropy; 10 - 15% of all support will be from individuals. 15 - 20% of all support will be from foundations, corporations, and civic organizations 10 - 15% of all support will be from special events</p> <p>The Board of Directors will provide active, excellent support for the development function, including participation in all fundraising events and 100% board giving</p>

Program Portfolio and Objectives

Each strategic goal usually carries with it two or more specific objectives. An objective is a precise, measurable, time-phased result that supports the achievement of the goal. For example, "increase board involvement in fundraising this year" is too vague to qualify as an objective—but "achieve 100% board contributions to our agency in each fiscal year of the strategic plan" or "the board will lead a major donor fund drive to raise \$25,000 by the end of Year Two" would both serve.

In order to set the context or boundaries for objectives, the process begins with an outline of each program's current and proposed scope and scale.

Developing this "program portfolio" is a matter of answering the following questions about each current program or prospective program:

- What is the program's current level of activity? (This question, of course, only applies to existing programs; new programs will not yet have a current level of activity.)
- What is its proposed growth strategy? (For example: expand, maintain, decrease, eliminate, start new program.)
- What is the program's projected future level of activity?

The program portfolio (a term borrowed from the financial investment world) will also help the Planning Committee estimate the resources needed to support the long range goals and objectives. At this point it is not necessary to come up with a detailed budget, but it is important to identify broadly the resources necessary to support the strategic plan. The resource development goals and objectives will then accurately reflect the level of support that has been deemed necessary. These goals and objectives appear under the appropriate management functions. The litmus test for objective setting is to ask "if these objectives are achieved, will we successfully accomplish the goal?"

PROGRAM PORTFOLIO — PROCESS NOTES

How to do this activity:	Use Worksheet 19 for each program group and individual program to identify the current and planned scale and scope of activity.
Why do this activity:	To quantify the amount of change in level of activity anticipated: this sets the context for objective setting.
Who to involve in the process:	Planning Committee members.

WORKSHEET 19 • PROGRAM PORTFOLIO

DEVELOP A PROGRAM PORTFOLIO FOR CURRENT AND FUTURE PROGRAMS

(page 1 of 2 page program portfolio)

Program	Current level of activity (if applicable; new programs will not have a current level of activity)	Proposed growth strategy (expand, maintain, decrease, eliminate, start new program)	Reasons for the proposed growth strategy; consequences of ignoring the suggested growth strategy	Proposed future level of activity for this program WITHIN NEXT 3 YEARS
Bar Outreach	52 interventions	maintain	adequate coverage at present	same as current level
School & Business Outreach	30 presentations to schools 15 presentations to businesses	eliminate as a formal program	MacMillan Matrix suggested strategy is "build up best competitor." Other groups in community currently offering such outreach. Work with other groups to make sure ethnically diverse presentors and culturally appropriate materials/presentations	Not have formal program. Still make presentations to schools and businesses on a request basis
Support Groups	2 on-going support groups for HIV- men 2 on-going support groups for HIV+ men 2 drop-in group for HIV+ men 0 on-going support groups for loved ones	increase for men start group(s) for women: prevention only start group(s) for loved ones	Increased demand for services; lack of alternatives in community. Without these services clients would have few if any options for finding support.	3 on-going support groups for HIV- men 3 on-going support groups for HIV+ men 2-3 drop-in group for HIV+ men 3 on-going and/or drop-in support groups for loved ones 2 groups for HIV-women
Case Management	Currently doing case management on an informal basis.	begin to formalize.	Current clients are in need of much more formalized case management...if we don't provide case management, more and more of our clients will fall through the cracks and/or not get needed services. HIV- men at high risk need case management to reduce risk. Recently seroconverted men need case management for transition period.	Establish and standardize the minimum criteria for client contact and follow-through.

Writing Program and Management Objectives

The program portfolio should contain all the guiding information necessary to develop specific objectives for each program and management function. In nonprofits, these objectives typically cover a time frame of 3–5 years; if the organization's environment is particularly turbulent, the time frame may be shorter. In any case, the objectives must identify the "targetable numbers" that will support the fulfillment of the organization's strategies, goals, and mission.

OBJECTIVE SETTING — PROCESS NOTES

How to do this activity:	Refer back to Worksheet 18. For each program and management goal recorded in Part 1, develop and write down two or more precise, measurable and time-phased objectives. Write these objectives in Part 2 of the worksheet. (You will probably need more than one page to complete this activity.)
Why do this activity:	To define, in detail, the specific results that will be achieved in each program and management function.
Who to involve in the process:	Planning Committee members give input, but the designed writer of the plan is the one who figures out the right language to use and writes the actual objectives .

Step 5 Writing the Strategic Plan

The end is in sight! Now that everyone has had a chance to contribute their ideas, now that all the options have been wrestled with, now that the choices have been made and the details worked out, all that remains is to commit the ideas to paper and “make it official.”

Draft and Review Process

First of all, who actually writes the plan? Once again, it is useful to remember that writing is done most efficiently by one or two individuals, not by a whole group—the writer simply crafts the presentation of the group’s ideas. Often an executive director will draft the plan, or the task may be delegated to a staff person, board member, or a consultant who has been working with the Planning Committee. In the end, it really doesn’t matter who writes the strategic plan; what matters is that it accurately documents the decisions made by the Planning Committee, that it represents a shared vision, and that it has the support of the those responsible for carrying it out.

That is why the process of review and approval is the most important consideration in this step, much more so than who does the writing. The Planning Committee should decide in advance who may review and respond to the draft plan—obviously committee members will participate in the review process, but should the full board and the full staff? The guiding principle of participation in the strategic planning process is that everyone who will help execute the plan should have some input in shaping it; whether or not this includes review of the final drafts of the plan is a judgment call that really depends upon the particular circumstances of an organization.

Ideally, the big ideas have been debated and resolved, so that revisions only amount to small matters of adding detail, revising format, or changing wording in a particular section. Still, if reviewers get bogged down in crossing too many T’s and dotting too many I’s, the plan could linger in draft form forever. The Planning Committee must exercise leadership in setting a realistic time frame and in bringing the review process to a timely close: the committee needs to choose the level of review appropriate for the organization, provide copies for review to the selected individuals, and set a deadline for submitting feedback (usually allowing 1–2 weeks is sufficient). Upon receiving all the feedback, the committee must agree on which suggested revisions to accept, incorporate these into the document, and submit the strategic plan to the full Board of Directors for approval.

Standard Format for a Strategic Plan

A strategic plan is simply a document that summarizes, in about ten to fifteen pages of written text, why an organization exists, what it is trying to accomplish, and how it will go about doing so. Its “audience” is anyone who wants to know the organization’s most important ideas, issues, and priorities: board members, staff, volunteers, clients, funders, peers at other organizations, the press, and the public. It is a document that should offer edification and guidance—so the more concise and ordered the document, the greater the likelihood that *it will be used*, and that it will be helpful in guiding the operations of the organization. Below is an example of a common format for strategic plans, as well as brief descriptions of each component listed, which might help writers as they begin to organize their thoughts and their material. This is *just* an example, though, not the one-and-only way to go about this task—the point of the document is to allow the best possible explanation of the organization’s plan for the future—the format should serve the message!

Sample Table of Contents:

- I. Introduction by the President of the Board
- II. Executive Summary
- III. Mission and Vision Statement
- IV. Organization History and Profile
- V. Critical Issues and Strategies
- VI. Program Goals and Objectives



VII. Management and Development Goals and Objectives

VIII. [Possible] Appendices

- A. Situation Assessment and Critical Issues
- B. Data and assumptions about the environment
- C. Summary of client surveys
- D. Membership of board and Planning Committee
- E. Long-range budget projections

I. Introduction by the President of the Board

A cover letter from the president of the organization's Board of Directors introduces the plan to readers; it gives a "stamp of approval" to the plan and demonstrates that the organization has achieved a critical level of internal agreement. (This introduction is often combined with the Executive Summary below.)

II. Executive Summary

In 1–2 pages, this section should summarize the strategic plan: it should reference the mission and vision, highlight the long-range goals (what the organization is seeking to accomplish), and perhaps note the process for developing the plan as well as thank participants in the process. From this summary, readers should understand what is most important about the organization.

III. Mission and Vision Statement

These statements can stand alone without any introductory text, because essentially they introduce and define themselves.

IV. Organization Profile and History

In one or two pages, the reader should learn the story of the organization—key events, triumphs, and changes over time—so that they can understand its historical context (just as the Planning Committee needed to at the beginning of the planning process).

V. Critical Issues and Strategies

Sometimes organizations omit this section, choosing instead to "cut to the chase" and simply present goals and objectives. The advantage of including this section is that it makes explicit the strategic thinking behind the plan. Board and staff leaders may refer to this document to check their assumptions, and external readers will better understand the organization's vantage point. The section might be presented as a brief outline of ideas or as narrative that covers several pages.

VI. Program Goals and Objectives

In many ways the program goals and objectives are the heart of the strategic plan. Mission and vision answer the big questions about why the organization exists and how it seeks to benefit society, but the goals and objectives are the plan of action—what the organization intends to "do" over the next few years. As such, the section should serve as a useful guide to operational planning and a reference for evaluation.

VII. Management Goals and Objectives

The management functions are separated from the program functions here to emphasize the distinction between service goals and organization development goals; this gives the reader a clearer understanding both of the difference and the relationship between the two, and enhances the "guiding" function of the plan.

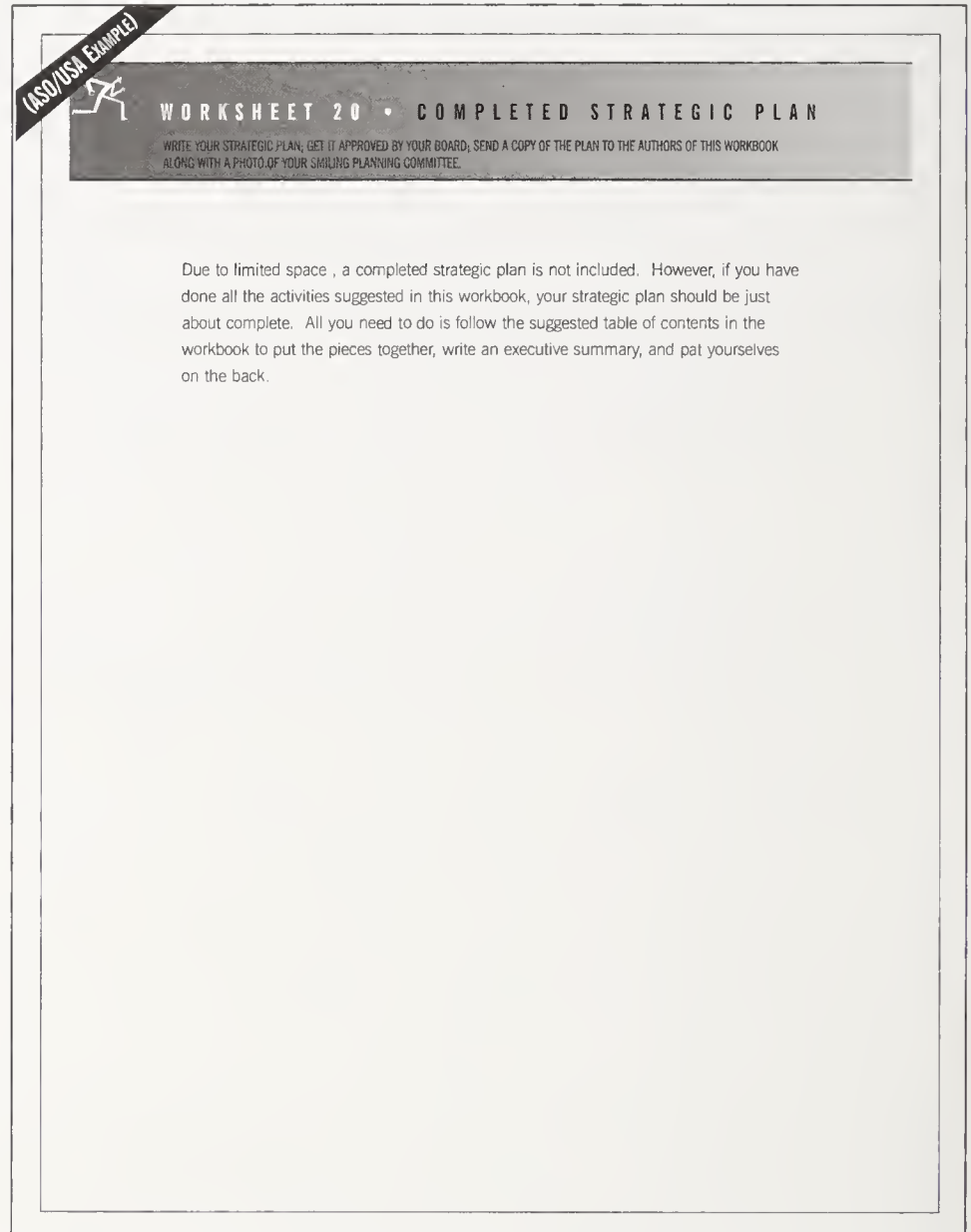
VIII. Appendices

The reason to include any appendices is to provide *needed* documentation for interested readers. Perhaps no appendices are truly necessary (many organizations opt for brevity); they should be included only if they will truly enhance readers' understanding of the plan, not just burden them with more data or complicating factors.

WRITING THE PLAN — PROCESS NOTES

How to do this activity:	Write it down, circulate and bring to the Board for approval!
Why do this activity:	To finish what you started and help to achieve all the goals the organization set at the beginning of the planning process.
Who to involve in the process:	Planning Committee members, selected others for review, Board of Directors for approval.

That's it, job's done.
Time to celebrate.
Congratulations!





[C H A P T E R I I I]

Tips
and
Resources

Working with Consultants

When considering whether or not to include consultants in the strategic planning process, a Planning Committee should first have a clear understanding of what they really want from a consultant, and what assistance a consultant can actually provide. Peter Block, author of *Flawless Consulting*, describes three main roles that an effective consultant should play:

- As a “a pair of hands,” a consultant can do tasks that a client organization knows how to do itself, but doesn’t have the person-power to accomplish (for example, organizing meetings, drafting documents, conducting interviews with clients, and other such “hands-on” work).
- In the “expert” role, a consultant provides knowledge or skills that the organization does not have in-house (for example, doing an evaluation of a program or management function, providing an analysis of the implications of environmental trends in funding or service delivery).
- In the “collaborative” role, the consultant works as a partner with the organization, contributing process knowledge but leaving the rest to the client, who has the task expertise and person-power to accomplish tasks once the approach is determined (for example, providing guidance on the planning process and facilitating planning meetings and retreats, while clearly leaving the content debate to the client).

Typically, a consultant proves most helpful to a nonprofit when offering a combination of all three roles—with the emphasis on the collaborative role which can significantly add to the productivity and continuity of the planning process. If no one in an organization has experience with strategic planning, then a consultant’s assistance with designing and managing an effective planning process will help focus planners’ energy where it is most needed and preclude their wasting time “reinventing the wheel.” Also, an outside person working with the group offers objectivity and neutrality: sometimes it takes an outsider to ask the hard or dumb questions, and a skilled facilitator will help surface disagreements about important issues as well as manage potential conflicts in a constructive way. Still, the reality is that it can be expensive to pay a consultant to do work that a staff *could* do; if cost is a key consideration, this could in itself determine the what role (if any) that a consultant should play in the strategic planning process.

If an organization does decide to hire a consultant, it must be sure to find one who has expertise in its field and with its kind of organization. This may even entail distributing the consultation tasks. For example, a development specialist might be the right person to conduct a study that will inform the planning around fund-raising, but that specialist might not have the skills to *guide* a planning process; it may be that two people are required here—a fundraising expert and a consultant with broader experience in strategic planning.

In choosing a consultant, an organization also must look for “fit.” A consultant may have all the expertise one could ask for, but still shouldn’t be hired unless planners truly have confidence in the person. The consultant must be both a good listener and not afraid to speak honestly: many important issues will be discussed in the planning process, perhaps including delicate issues that demand discretion or could arouse conflict—so a good, trusting working relationship between the consultant and the Planning Committee is crucial to a successful strategic planning process.

Checklist for Working with a Consultant

The following list delineates many of the issues described above and is a handy reference for organizers as they to consider working with, and then establish a working relationship with, a consultant (the list is adapted from an article by Barbara Davis published in *The Grantsmanship Center News*, March/April 1983).

- ✓ 1. Clarify your broad expectations of the work a consultant will do.
- ✓ 2. Decide roughly how much you want to spend.

- ✓ 3. Talk with at least two consultants and check the references they provide you.
- ✓ 4. Ask each consultant you are seriously considering to submit a written proposal summarizing the work to be performed, the time line, and the cost.
- ✓ 5. Make SURE that you feel comfortable working with the person you select.
- ✓ 6. Develop a clearly worded, written contract, which should include the following:
 - (a) a list of “deliverables”
 - (b) a projected completion date
 - (c) a schedule for payment
 - (d) checkpoints along the way at which the client and consultant can evaluate progress and resolve any problems that may have arisen.
 - (e) a mechanism by which either party can terminate the contract before it is completed
 - (f) identification of the person in your agency who has the authority to agree to expenditures or approve the consultant's work
 - (g) an understanding of who will do the actual consulting work

Use of Retreats

Retreats provide a means for involving a larger group of people in the strategic planning process (traditionally the board of directors and some or all staff); they allow participants to step back from the day-to-day operations of their organization to consider how best to serve clients—and whether this means doing things differently. When well-organized and effectively managed, planning retreats can be a wonderful vehicle for educating participants about the organization, increasing creativity, encouraging buy-in, and fostering communication and teamwork.

When to hold a retreat, who to invite, and what to accomplish obviously depends on the nature of an organization's planning process. For example, a retreat can be held at the beginning of the planning process to establish its direction, or toward the middle of the process to include a larger group in the situation analysis and generation of strategic options and choices, or toward the end of the process to present the research findings and recommendations of the Planning Committee. Some organizations may choose not to embark on a full-blown strategic planning process at all, instead limiting their strategic planning effort to a one- or two-day retreat—in which case the retreat is the entire strategic planning process!

Given such options, it is clear that a primary task of the Planning Committee is to decide who to involve in the planning process and how. But *after* the strategic plan is complete and in place, an organization might also consider using an *annual* retreat as a “check-in” opportunity, when the larger group can revisit the plan to make sure that it is still appropriate for the organization's ever-changing environment.

How to Ensure Successful Retreats:

The success of a retreat depends heavily on the caliber of pre-meeting preparation; inadequate preparation not only impedes the efficiency and productivity of a retreat, but it can also diminish participants' confidence in the entire strategic planning process. Before the retreat, organizers should

- ✓ be clear on what they want to accomplish and who should attend;
- ✓ decide if the retreat is to be an idea-generating meeting, a decision-making meeting, or a combination of the two;
- ✓ prepare an agenda that details outcomes of the retreat along with agenda items, time allocated, processes to be used, and who is responsible for each topic;
- ✓ be sure that the agenda allows enough time to discuss topics adequately and complete the scheduled discussions;

- ✓ mail or distribute the agenda and other materials to participants in advance, so that everyone arrives ready to engage in the work of the retreat;
- ✓ clarify how the discussion and decisions will be recorded, and what type of minutes will be shared with the participants;
- ✓ select one person to facilitate the meeting, whose job is to keep the group focused and on schedule, enforce ground rules, and encourage appropriate participation—a board or staff member with facilitation skills or an outside facilitator can do the job, *as long as the individual is able to focus on managing the meeting process and remain objective with respect to the content of the discussions*; and
- ✓ build in time at the end of the meeting to explain to participants what will happen next in the planning process.

Developing Contingency Plans

“Formal strategic planning is based on events that have a high probability of occurring—the most likely happenings. However, there are less likely conditions that could create serious difficulties for a company if they actually occurred.... Contingency plans are preparations to take specific actions when an event or conditions not planned for in the formal planning process actually does take place.” (Steiner, 1979, pp. 229-230)

Because nonprofit organizations are all operating in turbulent and constantly changing environments, it is useful to devote some of the Situation Assessment discussions to the “what ifs” of the organization’s future. For example, “We think we will be receiving more funding from county sources.” *What if* it doesn’t happen? Or, “Based on the experience of the last two years, we expect service demand to increase by 100% in the next three years.” *What if* it is significantly more? or less?”

The answers to such questions can prepare the organization for alternative scenarios, simply by outlining how the organization might respond should the future turn out quite differently than expected. It is not usually necessary to include formal contingency plans in the strategic plan itself, but it is a very good idea to discuss the “what ifs,” generate ideas about possible responses, and keep notes of the conclusions reached—in the hope that they *won’t* be needed in the future!

Developing an Annual Operating Plan

Upon completion of the strategic plan, an operating plan for the upcoming year must be prepared—a schedule of events and responsibilities that details the actions to be taken in order to accomplish the goals and objectives laid out in the strategic plan. An organization should have annual operating plans for each major organizational unit that correspond to its fiscal year—to make sure everyone knows what needs to get done, coordinates their efforts when getting it done, and can keep close track of whether and how it got done!

Imagine you are driving a car to a camping vacation. It is important to have a camping destination in mind: your “long-range goal.” The destination alone, however, is not enough to get you there successfully—you need to have detailed instructions about which roads to take, when to make turns, estimated distance and time, where you can stop for food and gas, gauges that tell you how much gas you have in your tank, and warning systems to tell you if the engine gets overheated.

Now imagine that you aren’t driving the car alone, but instead you have twenty people doing different jobs simultaneously: your organization’s executive director is at the steering wheel with a couple of board members looking over her shoulder, but four others are at each of the wheels making them spin; other people are looking out each



window, reporting what they see to the driver, and someone else is in the back making sandwiches. It is going to take an impressive plan to move this crew in the same direction.

This is the stuff of operating plans: which programs and management functions are going to do what, by when, and how much “gas” (money and person power) it will require. This level of detail is unnecessary in a strategic plan itself—in fact, it would clutter up the presentation of the long-range vision: the strategic plan focuses on the swimming hole at the camp you are going to, not which gas station to stop at along the way.

Characteristics of An Effective Annual Operating Plan

There are three important attributes to a good operating plan:

- an appropriate level of detail—enough to guide the work, not so much that it becomes overwhelming, confusing, or unnecessarily constrains creativity;
- a format that allows for periodic reports on progress toward the specific goals and objectives; and
- a structure that coincides with the strategic plan.

Just as monthly financial statements often present a budget for revenues and expenses and then report actual figures for a given time period, so should operating plans allow for the same type of comparison: the plan declares the “budgeted” work in terms of goals and objectives for each program area and management function, and reports the actual progress on a monthly or perhaps quarterly basis. This “budget-to-actual” report gives a clear reading on how the “trip” is going.

On the following page is one page of an imaginary annual operating plan whose format shows all three attributes of an effective operating plan: it states the strategic goal to be addressed, clearly breaks out the steps required to accomplish the goal, establishes time frames and who is responsible, and then notes the progress thus far (obviously, the information in this last column would change with each report). These are the requisites for the operating plan—many organizations already have in place some tracking system that might be adapted for the purposes of the operating plan, or perhaps will want to customize this example to best suit their purposes—the point is to develop a format that keeps the organization on the right road to the swimming hole!

One Page of a Sample Annual Operating Plan

OPERATING PLAN 1994			page 5
Goal/Objective	Due Date	Person Responsible	Progress as of <u>June 30</u>
Goal 5: Ensure quality programs that meet the needs of clients in a cost-effective manner (continued)			
Objective 3: Develop plan to improve client satisfaction in 1994.			
Task 1. Convene Program Advisory Council three times	hold one in each of the first three quarters of 1994	Francesca Focus	Two focus groups held
Task 2. Develop mail-outs to respond to five most common questions	draft by 4/1, ready to use by 6/1	Mike Mail-Out	Drafts written, waiting approval
Task 3. Schedule three client focus groups to look for ways to improve services	hold by 4/1, analyze results by 5/1	Clarence Client	Not done, decided to develop survey instead
Goal 6: Acquire a stable, broad base of financial and nonfinancial resources to support our programs			
Objective 1: Gain three new funders for volunteer program for 1995			
Task 1. Develop annual report for program	2/1	Ralph Report	Done! It's beautiful
Task 2. Research possible funders and develop list of ten prospective funders	2/1	Ralph Report	Done
Task 3. Arrange interviews with each prospect	4/1	Pam Proposal	Done
Task 4. Submit at least six proposals	8/1	Pam Proposal	Six funders identified
Task 5. Follow up on proposals	10/1	Pam Proposal	
Task 6. Cash the checks!	12/1	Pam Proposal	



Sample Workplan for Strategic Planning

Below is an example of a fictional organization's workplan for its strategic planning process, structured according to the five steps outlined in this workbook. In this instance, the organization emphasizes the importance of a shared understanding of purpose by stating the goals of the process up front, and then launching into the outline of the actual plan of work. (Note: this workplan assumes the participation of a strategic planning consultant, as well as the organization's having a paid executive director and program staff.)

Strategic Planning Workplan: AIDS Service Organization/USA (ASO/USA)

1. Goals of the Strategic Planning Process

Since the founding of in 1989, tremendous program growth has occurred in order to meet the growing needs of the community. In addition ... [and it goes on to provide some further context].

In conclusion, the purpose of this process is to develop a shared vision of the future that is reflected in a strategic plan for ASO/USA.

Specific goals include:

- to develop a three-year vision and strategic plan for ASO/USA;
- to involve all staff, board members, consortium members, interns, students, and volunteers in the planning process.
- to determine the most effective organizational structure for supporting the new vision and plan; and
- to develop short-term and long-term fundraising strategies for ASO/USA.

2. Planning Steps and Responsibilities

STEP	ACTIVITY	WHO IS RESPONSIBLE	DUE DATE
Step 1	Getting Ready		2/1-2/15
	• identify reasons for planning	executive director, board president	February 1
	• assess readiness	executive director, board president, consultant	February 1
	• clarify roles, organize Planning Committee	executive director, board president	February 1
	• complete organizational history and profile, including clarification of current mission statement	executive director and staff	February 15
	• Identify information needed for planning	Planning Committee with consultant	February 15
	• review workplan, revise as necessary	Planning Committee with consultant	February 15

Step 2	Articulate Mission and Vision		2/15 - 5/1
	<ul style="list-style-type: none"> clarify agency's purpose, business, and values, and draft mission statement 	Planning Committee with input from board and staff * committee to solicit board/staff input at retreat on April 15	5/1
	<ul style="list-style-type: none"> draft vision statement 	Planning Committee with input from board and staff * committee to solicit board/staff input at retreat on April 15	5/1
Step 3	Situation Assessment		2/15 - 5/1
	<ul style="list-style-type: none"> gather board and staff perceptions of agency's strengths, weaknesses, opportunities, threats 	Planning Committee and consultant present summary of and get comments on findings at April 15 retreat * consultant will meet with program staff 3/1 & 3/14 * consultant will survey board members	4/15
	<ul style="list-style-type: none"> gather external stakeholders' perceptions of agency' and summarize findings for discussion by Planning Committee 	all members of Planning Committee and consultant assigned names of key stakeholders for phone interviews	4/1
	<ul style="list-style-type: none"> competitive analysis 	Program staff using MacMillan Matrix	4/10
	<ul style="list-style-type: none"> define previous strategies 	Planning Committee * executive director will prepare draft * Planning Committee will review and discuss draft at committee meeting	4/1
	<ul style="list-style-type: none"> program evaluation 	executive director and staff * executive director will prepare draft * Planning Committee will review and discuss draft at committee meeting	4/10
	<ul style="list-style-type: none"> identify critical issues 	Planning Committee	5/1
	<ul style="list-style-type: none"> identify additional information needed 	Planning Committee	5/1
Step 4	Develop Strategies, Goals, and Objectives		5/1 - 6/30
	<ul style="list-style-type: none"> discuss critical issues and develop strategic options 	Planning Committee with consultant	6/1
	<ul style="list-style-type: none"> gather any additional information needed to make informed decisions and better understand options 	Planning Committee	6/10
	<ul style="list-style-type: none"> choose strategies for critical issues 	Planning Committee with consultant	6/10



- | | |
|---|--|
| <ul style="list-style-type: none">• develop program and management goals and objectives | <ul style="list-style-type: none">* committee to solicit board/staff input at retreat 6/30* executive director drafts, with input from staff and board, and presents to committee executive director, Planning Committee, with input from board and staff |
|---|--|

Step 5	Writing the Plan	7/1- 8/1
---------------	-------------------------	-----------------

- | | | |
|---|--|--|
| <ul style="list-style-type: none">• draft strategic plan• circulate and revise• check to make sure that original goals of the planning process have been achieved | <ul style="list-style-type: none">executive director and consultantexecutive director and consultantPlanning Committee | <ul style="list-style-type: none">7/107/207/20 |
| <ul style="list-style-type: none">• present final plan to Board of Directors• send final approved plan to Jude and Mike | <ul style="list-style-type: none">consultant and executive directorPlanning Committee and executive director | <ul style="list-style-type: none">8/18/1 |

Beyond the Strategic Plan	<ul style="list-style-type: none">• Develop Annual Operating Plan for fiscal year starting 9/1	<ul style="list-style-type: none">executive director and program staff	<ul style="list-style-type: none">8/1 - 9/1
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3. Budget for Planning Process

This workplan is designed to take six months to complete. The consultant will participate in all Planning Committee meetings and retreats, conduct a specified amount of market research, and provide general guidance throughout the planning process. See attached proposal from consultant for 50 - 60 hours of the consultant's time at \$60/hour. Additional costs include facility for retreat, copying and mailings for Planning Committee and board.

Staff and board time will be contributed to the planning process at no extra cost; this process will be given priority among the staff's responsibilities for this year.

Thus the total cost we will budget for this planning process is approximately \$4000 - \$4600 (excluding staff and board time).

Sample Client Survey

Note: this survey could be used in a phone interview or sent out by mail. The questions are only included for illustration: each organization needs to identify the specific types of information it needs and develop a survey instrument accordingly.

1. How did you first get involved with ASO/USA?
 - a. mailing or other publicity
 - b. personal presentation by ASO representative
 - c. referral from a colleague or friend
 - d. other? _____

2. What was the issue or problem you needed help with?
-

3. How helpful were the ASO staff in helping you with those problems or issues? (Circle one.)
☐ Extremely Helpful ☐ Very Helpful ☐ Somewhat Helpful ☐ Not Very Helpful ☐ Not at all Helpful

4. Explain your response to question 3.
-

5. Can you think of something that would have made your experience at ASO better?
-

6. Overall, how would you rate the following program services of ASO?

	Poor		Fair		Excellent
a. Outreach Program	1	2	3	4	5
b. Support services	1	2	3	4	5
c. Information and Referral	1	2	3	4	5
comments:					

7. Can you think of other programs or organizations have you might look to for help with the type of issues you mentioned above?

☐ Yes ☐ No If yes, name(s): _____

8. What other services do you think ASO should offer?
-

9. Anything else you would like to say?
-

Thank you for your help!



Suggested Readings

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Hax, Arnold C. and Nicholas S. Majluf, Strategic Management: An Integrative Perspective. Englewood Cliffs, NJ: Prentice Hall, Inc. 1984

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Steiner, George A., Strategic Planning. New York, NY: The Free Press. 1979.

United Way of America, Strategic Management and United Way. Alexandria, VA: United Way Strategic Planning Division. 1988.

List of Blank Worksheets

Worksheet 1:	Planning Process Outcomes
Worksheet 2:	Organizational Readiness
Worksheet 3:	Participation in the Planning Process
Worksheet 4:	Planning Principles & Values
Worksheet 5:	Organizational Profile
Worksheet 6:	Information Gathering
Worksheet 7:	Workplan
Worksheet 8:	Mission Statement
Worksheet 9:	Vision Statement
Worksheet 10:	Staff and Board Perceptions
Worksheet 11:	External Stakeholders' Perceptions
Worksheet 12a:	Program Evaluation: Program Outcome Study
Worksheet 12b:	Program Evaluation: Cost/Benefit Analysis
Worksheet 13:	Competitive Analysis
Worksheet 14:	Previous Strategies
Worksheet 15:	Critical Issues
Worksheet 16:	SWOT Grid
Worksheet 17:	Primary Strategies
Worksheet 18:	Setting Goals and Objectives
Worksheet 19:	Program Portfolio
Worksheet 20:	Completed Strategic Plan



Blank Worksheets



WORKSHEET 1 • PLANNING PROCESS OUTCOMES

WHAT DOES YOUR ORGANIZATION WISH TO ACHIEVE FROM A PLANNING PROCESS?
WHAT ISSUES OR CHOICES DO YOU THINK NEED TO BE ADDRESSED?



WORKSHEET 2 • ORGANIZATIONAL READINESS

ASSESS YOUR ORGANIZATIONAL READINESS: WHAT CRITERIA FOR SUCCESSFUL PLANNING ARE IN PLACE?
WHICH PITFALLS CAN BE AVOIDED? WHAT CAN YOU LEARN FROM PRIOR EXPERIENCE WITH PLANNING?

PRIOR EXPERIENCE DOING PLANNING: WHAT HAS WORKED? WHAT HASN'T WORKED? WHY?

THE FOLLOWING CRITERIA FOR SUCCESSFUL PLANNING ARE IN PLACE:

YES	NO	CRITERIA
		Commitment and support from top leadership, especially the executive director and board president, throughout the entire process.
		Clear roles and expectations for all participants in the planning process, including clarity as to who will contribute to the plan and who will be the decision makers.
		Access to relevant information for assessing the organization — sufficient market research; willingness to understand and respond to the organization's internal and external environment (strengths, weaknesses, opportunities and threats).
		At least one strategic thinker, and at least one realist.
		Willingness to be inclusive and encourage broad participation, so that people feel "ownership" of and energized by the process.
		An adequate commitment of organizational resources to complete the planning process as designed, for example, staff time, board time, dollars spent on the process (market research, consultants), and so on.
		A board and staff that understands the purpose of planning, realizes what it is and is not able to accomplish, and has consensus about the desired outcomes of the planning process.
		A true commitment to assessing current programs and to meeting current and future client needs.
		A willingness to question the status quo, to look at new ways of doing and evaluating things.
		Good working relationships and no serious conflicts between key players.

Comments to explain and respond to "No" or "?" answers:

THE FOLLOWING PITFALLS CAN BE AVOIDED:

YES	NO	CRITERIA
✓?		Top management's assumption that strategic planning is something separate from the entire management process.
✓		Top management's assumption that it can completely delegate the planning function to a planner.
✓		Top management so engrossed in current problems (such as a financial crisis or other extreme circumstance) that they have neither the time, nor the leeway to look far enough ahead, to plan for the future.
✓		Top management's tendency to reject the decisions made during the planning process in favor of its own intuitive decisions.
✓		Failure to involve line staff and board in the planning process.
✓		Failure of top management to include department and division heads in developing plans for their departments.
✓		Failure to articulate constraints and non-negotiables up front.
?		Failure to create an organizational climate that is receptive to planning and change.
✓		Too much formality or rigidity in the planning process, so that it lacks flexibility and simplicity, and restrains creativity.

Comments to explain and respond to "No" or "?" answers:

ORGANIZATIONAL READINESS: Go or NO?



WORKSHEET 3 • PARTICIPATION IN THE PLANNING PROCESS

LIST ALL POSSIBLE STAKEHOLDERS AND HOW THEY SHOULD BE INVOLVED IN THE PLANNING PROCESS

HOW DO WE INVOLVE INDIVIDUALS IN THE PLANNING PROCESS?

	Consultant (expert role)	Consultant	Staff	Executive Director	Board	Strategic Planning Committee	Other Stakeholders: _____ _____ _____
Information identification collection and analysis							
Discussion of, & decisions on mission, vision, values, program							
Critical issues & strategies							
Goals and objectives							
Writing the plan							



WORKSHEET 4 • PLANNING PRINCIPLES & VALUES

WHAT ARE YOUR ORGANIZATION'S PLANNING PRINCIPLES & VALUES?



WORKSHEET 5 • ORGANIZATIONAL PROFILE

SUMMARIZE YOUR ORGANIZATION'S HISTORY & CURRENT PROFILE

PRESENTATION OF ORGANIZATION'S HISTORY:

ORGANIZATIONAL PROFILE:

List all specific program activities (services, projects)	Group the activities into categories, and note their current scope and scale of service	Note any related organizational and management data (infrastructure data)



WORKSHEET 6 • INFORMATION GATHERING

LIST THE INFORMATION THAT YOU WILL NEED TO COLLECT AS PART OF THE PLANNING PROCESS:
IDENTIFY WHO WILL COLLECT IT, AND HOW.



WORKSHEET 7 • WORKPLAN

DEVELOP A PLAN OF ACTION THAT DESCRIBES THE PLANNING PROCESS ACTIVITIES, WHO IS RESPONSIBLE AND TIME FRAMES

See Workplan in Chapter 3 of the NMAC's Strategic Planning for ASOs: A Practical Guide and Workbook.
It sure fits our organization!



WORKSHEET 8 • MISSION STATEMENT

DRAFT YOUR MISSION STATEMENT: DEFINE YOUR ORGANIZATION'S PURPOSE, BUSINESS AND VALUES.

Define your organization's **PURPOSE**: Why does your organization exist? Make sure you indicate outcomes and results (e.g., to eliminate homelessness), not the methods of achieving those results (e.g., by constructing houses).

The purpose of our organization is to

Define your organization's **BUSINESS**: How will you achieve your purpose? What primary activity (or activities) are you going to do to accomplish your purpose?

Our primary activity is/our primary activities are

Define your organization's **VALUES**: What are the beliefs which your organization's members hold in common and endeavor to practice in their work?

Our organizational values include

OUR MISSION STATEMENT:

(Combine the information noted above to create a compelling statement about "who" the organization is, what the organization does, and why the organization does it.)



WORKSHEET 9 • VISION STATEMENT

DRAFT YOUR VISION STATEMENT: WHAT IS YOUR ORGANIZATION'S GUIDING IMAGE OF SUCCESS?

EXTERNAL VISION:

Describe how the world would be improved, changed or different if your organization was successful in achieving its purpose?

INTERNAL VISION:

What would your organization look like if it was running effectively and efficiently. Describe your ideal organization in terms of: image/reputation; funding; partnerships; use of technology; board; staff; facilities. What makes your organization unique?



WORKSHEET 10 • STAFF & BOARD PERCEPTIONS

IDENTIFY YOUR STAFF & BOARD (INTERNAL STAKEHOLDERS') PERCEPTIONS OF THE ORGANIZATION'S STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS



WORKSHEET 11 • EXTERNAL STAKEHOLDERS' PERCEPTIONS

WHAT ARE THE KEY EXTERNAL STAKEHOLDERS' PERCEPTIONS OF THE ORGANIZATION?

Stakeholder	What are the organization's strengths and weaknesses? What opportunities and threats does the organization face?	What does the stakeholder need or expect (criteria for performance) from the organization? How well does the organization perform against those criteria (excellent, good, fair, or poor), Why such a rating? How well does your organization perform relative to its competitors?



WORKSHEET 12A • PROGRAM EVALUATION

USE A PROGRAM OUTCOME STUDY TO EVALUATE PROGRAMS

Program Name _____

Program Objective _____

- What are the resources that are required to operate the program?
- How is the program operated?
- What are the immediate results that can be observed as a result of the program?
- What are the outcomes of the program on the client's life and/or society?
- What is the longer term benefit to the client and/or society.



USE A COST-BENEFIT ANALYSIS TO EVALUATE YOUR PROGRAMS

Program Name

Program Objective

TASK/ACTIVITY	Person Resp.	Staff Time	Salary + Fringe	OTHER DIRECT COSTS							TOTAL Dir. Costs
				Printing	Postage	Travel	Equip.	Teleph.	Training	Supplies	
TOTAL DIRECT COSTS											SHARE OF DIRECT COSTS
TOTAL BENEFITS:				TOTAL COSTS							

TOTAL BENEFITS:

- Revenue Benefits
- Direct service benefits
- Intangible benefits
- Comparable costs in the open marketplace
- Comments: (assumptions, risks, other considerations, organizational capabilities, alternative methods; (foreseeable changes)



WORKSHEET 13 • COMPETITIVE ANALYSIS

USE THE MACMILLAN MATRIX TO ASSESS YOUR CURRENT AND POSSIBLE NEW PROGRAMS

Place All Your Programs In The MacMillan Matrix*

	High Program Attractiveness "Easy" Program		Low Program Attractiveness "Difficult" Program	
	HIGH	LOW	HIGH	LOW
STRONG COMPETITIVE PROGRAM	1. Aggressive Competition	2. Aggressive Growth	5. Build up the Best Competitor	6. Soul of the Agency
	3. Aggressive Divestment	4. Build Strength or Get Out	7. Orderly Divestment	8. "Foreign Aid" or Joint Venture
P00R FIT	9. Aggressive Divestment		10. Orderly Divestment	

* Adapted from "Competitive Strategies for Not-for-Profit Agencies" by I.C. MacMillan, Advances in Strategic Management, (JAI Press, 1983)



WORKSHEET 14 • PREVIOUS & CURRENT STRATEGIES

IDENTIFY AND ASSES YOUR ORGANIZATION'S PREVIOUS AND CURRENT STRATEGIES

PREVIOUS STRATEGY	Was the strategy effective? Why or why not? Should it be considered as a strategy for the future.



WORKSHEET 15 • CRITICAL ISSUES

LIST YOUR ORGANIZATION'S CRITICAL ISSUES

ISSUE	WHY IT IS AN ISSUE? What are the consequences of not responding?	PRIORITIZE 1) Critical issue to be addressed as part of strategic planning process 2) Requires immediate attention 3) Requires no action at present, but must be monitored



WORKSHEET 16 • SWOT GRID

LIST YOUR ORGANIZATION'S CRITICAL ISSUES

OPPORTUNITIES

THREATS

STRENGTHS

INVEST

DEFEND/MOBILIZE
RESOURCES EITHER ALONE
OR WITH OTHER

WEAKNESSES

DECIDE: INVEST OR DIVEST;
COLLABORATE

DAMAGE CONTROL



PRIMARY STRATEGY
REASONS FOR SELECTING THIS AS A PRIMARY STRATEGY



WORKSHEET 18 • SETTING GOALS & OBJECTIVES (Part 1 & Part 2)

WRITE OUT YOUR PROGRAM AND MANAGEMENT GOALS AND OBJECTIVES

PROGRAM AND MANAGEMENT GOALS (Worksheet 18 - Part 1)	PROGRAM AND MANAGEMENT OBJECTIVES (to be filled in after completing Worksheet 19 —Program Portfolio Selection) (Worksheet 18 - Part 2)



WORKSHEET 19 • PROGRAM PORTFOLIO

DEVELOP A PROGRAM PORTFOLIO FOR CURRENT AND FUTURE PROGRAMS

(page 1 of 2 page program portfolio)

Program	Current level of activity (if applicable; new programs will not have a current level of activity)	Proposed growth strategy (expand, maintain, decrease, eliminate, start new program)	Reasons for the proposed growth strategy; conse- quences of ignoring the suggested growth strategy	Proposed future level of activity for this program WITHIN NEXT 3 YEARS



WORKSHEET 20 • COMPLETED STRATEGIC PLAN

WRITE YOUR STRATEGIC PLAN; GET IT APPROVED BY YOUR BOARD; SEND A COPY OF THE PLAN TO THE AUTHORS OF THIS WORKBOOK
ALONG WITH A PHOTO OF YOUR SMILING PLANNING COMMITTEE.

Date: _____

Jude Kaye and Mike Allison
Support Center
70 Tenth Street, #201
San Francisco, CA 94133

Dear Jude and Mike:

Enclosed please find a copy of our completed and approved strategic plan.

What worked best about the planning process was...

What we learned...

Our recommendations to you for improving this workbook are...

Sincerely,

Chair, Planning Committee
Name and address of organization

enclosures: Strategic Plan; Photo of Smiling Planning Committee



Notes:



Notes:





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